Loan and Trust Review and Outlook

THE FINANCIAL POST OF CANADA

The Canadian Newspaper for Investors

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AN AGREEMENT IS REACHED AT CONFERENCE

Allied Envoys at Washington Reach Arrangement With United States.

TO MEET THE SUB. MENACE

Evidences of Deep Feeling of Amity Between U.S. and Britain Extending Particularly to Canada—Some "Inside" Reasons.

Washington.—The coming in, of the United States, on the side of the Allies, and the visit of Balfour, to Washington will go down in history as the two greatest events in the English-speaking world, since the American Revolution. Balfour's mission has been a tremendous success; a glorious triumph in every way; personal as well as political. So important was it that anything less might have meant the defeat of the Allies. It may now be frankly admitted, that, when Mr. Balfour and the Anglo-French Commission arrived on this side, the situation was not only bad; it was desperate. Balfour himself was very much depressed over the outlook. On land our armies were performing brilliant deeds. They were slowly, but surely, eating their way into enemy territory, but the splendid navy, handicapped by politicians and political considerations had been unable to do its share.

The Germans now have about 1,500 submarines. They are sending them out in squadrons. If one misses a ship or ships another will get them. They have been destroying tonnage at a rate that meant disaster to us. There is no use in hiding the facts. A silly censorship, and cabinet ministers, who thought the nation could not be trusted with a knowledge of actual conditions, has been one of the most fatal mistakes of the war.

Ships are being sunk at a far greater rate than the combined shipyards of the Allies can build them. It was given out from here last week that Edison and some others had invented something that would effectually counteract the submarine. There is no truth in the story. Arrangements were made, however, that, if effectively carried out by the British and United States navies, will eventually subdue this, the greatest of German menaces. In the meantime we must be prepared for greater losses. The Germans are building their standardized undersea boats in parts all over the empire. They are assembled at various seaports. There is no scarcity of men. They have a large, well-trained navy to draw from. They are said to be turning out two to three boats a day. Lately they have been coming from the Dardanelles in large numbers.

This was the situation when the Balfour-Viviani missions arrived. Joffre was the popular hero. Balfour's modesty, charm of manner, perfect frankness, and his action in always giving the place of popular honor to his distinguished French colleagues, captivated the American politicians and newspaper correspondents. He has

Continued on page 5.

NEWS OF SECURITIES.

THE FINANCIAL POST'S review of the Canadian Security Markets will be found on pages 2, 3, 4 and 5, under the following heads: STEEL STOCKS, PULP AND PAPER, TEXTILES, MILLING, MINING, TRANSPORTATION, ELECTRIC RAILWAYS, LIGHT AND POWER. Other stocks, including general industrial and other securities not embraced in the foregoing groups are arranged in alphabetical order.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Maple Leaf	105¼	105¼
Pac. Burt	38	38
Mackay	83	82⅛
Tor. Paper	87	87
Gen. Electric	107	107
Russell, pfd.	102	102
Smelters	26¾	26¾
Brazilian	39½	39½
Steel of Can.	57⅝	57⅛
Do., pref.	92½	92⅛
Detroit	112	112 —
Tor. Rails	78	78
Can. Cement	58⅝	58¾
Rogers, pfd.	90	90
Dom. Steel	59⅝	59¾
C.P.R.	160	160
War Loan, 1937	94¾	94⅛
Do., 1925	97	96¾
Hamilton	190	190
S. Wheat	132	132
Bell Tele.	140	140
Dome Mines	1180	1180
Twin City	86	85
Canners	23	23

Prohibition a War Measure of the Utmost Importance; Britain Must Act at Once

THE POST desires to make it clear that, in publishing these articles, it is not fighting for permanent prohibition. It is urging that prohibition be adopted as a NECESSARY MEASURE FOR THE DURATION OF THE WAR. The people of Canada want this. They want their official representatives in Parliament to tell the British Government how Canada feels on this question. Colonial Governments have not hesitated to express themselves strongly on the Irish Home Rule question. Are not our own sons, brothers, fathers in our expeditionary forces worthy of equal consideration? They are not advocating permanent prohibitory legislation.

IF THE QUESTION SHOULD COME UP AFTER THE WAR, THE FINANCIAL POST WILL OPPOSE IT, AS IT ALWAYS HAS, UNLESS THE LIQUOR INTERESTS RECEIVE FAIR COMPENSATION.

Canada has prohibition in most provinces and there is hope. But in the Mother Country the liquor interests seem as firmly in the saddle as ever. THE POST has it on the best of authority that in 1915 the British Admiralty asked the Government to adopt Prohibition; not only was the recommendation disregarded but all mention of it was excluded from the press.

* * * * *

Meeting on December 16, 1916, when the situation was not as acute as it is to-day, the Clyde Shipbuilders' Federation, passed a resolution and wired it to the premier, on the need of accelerating the production of ships, saying in part:

"The first essential step is the immediate total prohibition of the sale of all alcoholic liquor throughout the United Kingdom, applied to all classes and individuals alike and until this is done further essential steps cannot advantageously be taken. A continuance of the present inefficiency of national production is viewed with grave apprehension and the meeting considered that the Government should require the nation to submit to this sacrifice. While as shipbuilders and engineers the meeting was chiefly concerned with the beneficial effect that such a step would have on the output of merchant tonnage, it was agreed to direct attention to the large amount of labor, materials, foodstuffs and means of transport, particularly of shipping tonnage so urgently called for, which would be free for more urgent national requirements."

This from the men on whom the success of the Allied cause depends most to-day—the shipbuilders.

* * * * *

The world faces in the food shortage, the most serious crisis of a generation. To the British Empire it means more than the mere possibility of a period of distress. It means the possibility of defeat, of shattering disaster followed by Imperial disintegration; for, if sufficient food is not raised and sufficient ships are not built to carry the food to the British Isles which have become the nerve centre of the Allied nations, Germany will win the war.

In the face of this cataclysmic possibility, we still find foodstuffs—precious wheat, barley, maize, sugar—being consumed, millions of tons a year in Britain and Canada—for what? For the manufacture of alcoholic beverages! From August, 1914, to September, 1916, the brewers of beer in Great Britain used 2,700,000 tons of foodstuffs and the distillers used 1,100,000 tons. It was stated in the House on Monday that in Canada last year there was consumed in the manufacture of liquor 2,353,273 bushels of barley, 589,394 bushels of corn, and 128,801 bushels of rye. Thus is recorded the story of the greatest blunder the Empire has made since the war began; a blunder greater than Gallipolli, madder than the early munitions muddle. However, that is past history. These millions of tons of foodstuffs, which had they been stored up would to-day stand between Britain and hunger as the granaries of Joseph stopped famine in Egypt, have been consumed. We could wipe this blunder off the slate if it were not that IT IS STILL GOING ON. The U-boats swarm around the shores of Britain, and from the grain-growing countries comes the cry of crop failures; and still the waste of food in the distilleries goes on unabated.

On Monday the question of having the supply of grain to brewers and distillers immediately discontinued was discussed in the Canadian House of Commons and Sir George Foster promised Government consideration. Let the consideration be brief. After stopping the waste of foodstuffs here, the Government should strongly urge the Imperial authorities to do the same in Britain. John Bull should no longer delay when the war has reached such a stage that instead of being won by the side with the last battalion or the last "silver bullet," the issue may be decided by the last million bushels of wheat.

* * * * *

It is gratifying that the recent discussion in the Canadian House showed, on the part of some members at least, a broader conception of the vital importance of prohibition to-day than was displayed in the first debate on Captain Paul Goforth's article in THE POST. The reason was that they approached the subject this time from the standpoint that THE POST adopted in publishing the Goforth article—the practical side. THE POST did not publish what Goforth had to say merely because it bit deep to the roots of a moral question but rather because on this matter of liquor consumption hinges in so great a degree our chances of victory in the present and of a sound financial position in the future. Parliament played petty politics with "wet" or "dry" canteens. THE POST made no reference whatever to canteens. Members who scoffed at prohibition in the army failed to see what lay behind the conditions that go with army license—the ruination of men, the spread of disease, the loss of efficiency both for war and later for peace, the piling up of loss on loss and the addition of taxes to our already heaping load. Members did not see it then—though THE POST pointed to this aspect clearly—but they see it now when the consumption of liquor is considered in relation to the necessity of husbanding food supplies. They begin to see the practical side of prohibition.

If the Empire must stop using foodstuffs to make liquor it follows that the drinking of liquor must be stopped in the army as well as in the country

Continued on page 7.

U. S. STEEL TO START ON CANADIAN PLANT

Appropriations Passed for $9,000,000 to be Spent on New Works Near Windsor—To Make Materials for Shipbuilding.

New York, May 11.—The United States Steel Corporation has decided to proceed at once with a Canadian plant, preparations for which have been under way for several years. They have gradually accumulated land on the water front near Windsor, and had laid out several hundred acres, but with the outbreak of war all construction plans were suspended. Present arrangements call for an immediate expenditure of $9,000,000 in the erection of buildings and installation of machinery. The directors have appropriated this amount and have approved of a scheme calling for $10,000,000 to $15,000,000 more.

While the office here would give no details of the departmental features of the immediate development there is an impression that the first unit to be constructed will be devoted to ship's plates and shapes, which includes angle irons, deck beams, and other odd sections.

SUCCESSION DUTIES.

United States Considering Increase in Inheritance Tax.

Washington, May 11.—It is proposed as a war measure to increase the United States Inheritance Tax about 33 1-3 per cent., from a lowered minimum of $20,000. The present minimum is $50,000, under which sum a tax of 1 per cent. attaches. The effect of the increase will be to add about one-third to the normal tax and increase the surtaxes as the greater inheritances are reached. Thus, inheritances in excess of $8,000,000 will be assessed 22 per cent.; those in excess of $11,000,000 will pay 25 per cent., and those in excess of $30,000,000, will pay 30 per cent.

LABOR PROBLEM OF THE FARMERS IS WELL IN HAND

Outlook in This Connection Shows Marked Improvement.

WEATHER IS A HANDICAP

Seeding Is Being Retarded in Alberta and Saskatchewan — Increased Acreage of Spring Sown Wheat.

By F. M. Chapman, Editor The Farmer's Magazine.

The labor situation on Canada's farms is now well in hand. The outlook is therefore better than was promised at the beginning of the season. Both East and West Canada farmers have arranged for their supply of help. Many of the College boys from the United States and other helpers have linked up with the farmers. In Ontario the seeding difficulties are about over.

The main question of the hour is the imperative need of increasing the livestock holdings throughout Canada and to employ more help in getting corn, buckwheat and soiling crops under way on a large scale. The value of varieties and seed selection is being impressed upon all producers. That production can be increased fully 25 per cent. by attention to these things without additional labor is a moderate estimate.

Weather a Handicap.

Cold, wet weather in Western Canada has seriously impeded wheat seeding in Alberta and Saskatchewan. Warmer weather is coming in at the week end and every man is ready to provide his section speedily. Manitoba reports grain above the ground in many parts. The East has suffered from the cool weather but the land never worked up better and seeding is finished in many parts. Other parts are well advanced. Winter wheat is picking up and grass seeds are doing well. The late growth is proving a serious drain on feeding as animals have to go out on grass in many places.

As to acreages of the 1917 crops, there is every probability that there will be increased totals. The corrected areas of the principal grain crops of Canada for 1915 and 1916 are estimated as follows, with the total losses due to weather conditions of seeding time:

Crops	1915 acres	1916 acres	Tl. loss 1916
Wheat	14,675,300	12,879,000	10 %
Oats	11,424,600	9,835,100	6.3%
Barley	1,707,650	1,651,100	6.4%

While there has been a decrease of about 18 per cent. in the fall wheat acreages of Ontario and Alberta, against this there is likely to be a substantial increase in spring sown crops in Ontario says the chief of the crop reporting Bureau to The POST

Livestock Industry.

Livestock farming is being engaged in by everyone who can do so. Lambing returns from the flocks are encouraging while wool prices are firm. The co-operative marketing of wool by the Canadian Sheep Breeders is putting Canada's wool trade on a more substantial basis. Hogs are scarce. Prices are high and the bacon hog propaganda under the leadership of Prof. Day of Guelph is going to ensure stability of prices to encourage farmers stocking up. The Census estimates are decidedly too optimistic about the numbers of hogs in Canada.

ALL COMMISSIONERS STRONGLY OPPOSED TO THE PRINCIPLE OF PUBLIC OWNERSHIP OF ROADS

Sir Henry Drayton and Mr. Acworth Express Their Views Publicly on the Question.

MR. ACWORTH REVIEWS EUROPEAN SITUATION

Tells Commission at Washington That Prussia is the Only Country Where National Railroads Had Proven a Financial Success—Weak Points of Majority Recommendation.

Following the report of the Royal Commission on the Canadian railway situation, with its majority recommendation by Sir Henry Drayton and W. M. Acworth in favor of the government taking over all systems with the exception of the Canadian Pacific, comes the further public announcements of both of these gentlemen that they are opposed to the principle of public ownership. Sir Henry made his declaration before the Canadian Club of Toronto and Mr. Acworth appeared before the Inter State Commission at Washington where he argued at great length against state operation on the grounds of political inefficiency and supported this argument by reviewing the situation in many of the more important countries of the world to show that government ownership was not successful. His chief point was that, with the exception of Prussia, there was not a state-owned railway in the world which was a financial success.

Thus we have the three members of the Royal Commission on record as opposed to the policy of nationalization. They all recognize the inefficiency of service thus provided. Under the circumstances the majority report must lack conviction. The ground set forth for the recommendation of public ownership under such circumstances is that it is a matter of expediency rather than a matter of policy—that it is the best way out. Further, it is evidently intended that the solution of an "independent" commission should eliminate political influence. In this connection the public will not be easily convinced. In fact it was on this point that Mr. Smith chiefly differed in offering his minority report and we must agree with the *Wall Street Journal*, which says that Mr. Smith puts his finger on the fallacy of the distinction when he pointed out that the members of the commission would be elected by Parliament. No Parliament could bind its successors to any given course. Legislation would at any time amend the terms of trusteeship even to wholly upsetting it. That fact alone provides the opportunity for throwing the two great transcontinental systems as footballs into the political arenas and leaves the third, the Canadian Pacific, to face the competition of a government system of vastly greater mileage, which rests its credit upon the taxing power of the state.

Following is a summary of the views of Mr. Acworth and Sir Henry as given to the public since the presentation of their report:

Mr. Acworth at Washington.

Before a special meeting of the Joint Committee of Congress on Interstate Commerce, of which Senator Newlands is chairman, W. M. Acworth, England's leading railroad authority, appeared at Washington to discuss the question of government ownership of railroads in foreign countries.

Mr. Acworth dealt first with Prussia, which he regarded as the best example of an efficient nationalized railway system. Following the war of 1870, which unified Germany under the leadership of Prussia, Bismarck attempted to acquire all the railways in Germany in order to weld the newly-formed empire into one unit. In 1879, the Ministry submitted to the Prussian Parliament an elaborate memorandum in support of the policy of nationalizing the railroads then in private hands. The significant feature of this memorandum, said Mr. Acworth, was the emphasis placed upon the importance of railways for military purposes. "On the whole," said he, "it is abundantly clear that the main reason for Bismarck's action was of a political nature. It is in harmony with all Prussian history that the importance of military considerations and the necessity of making public control paramount in the life of the country, should weigh above all other considerations with a Prussian statesman; and after the war with France and the creation of the German Empire, these considerations might be expected to have even greater weight than at any other time."

"While American companies have revolutionized their equipment and methods of operation," said Mr. Acworth, "Prussia has clung to old equipment and old methods. This is typical. In all the history of railway development it has been the private companies that have led the way, the State systems that have brought up the rear. The State official mistrusts ideas, pours cold water in new inventions and grudges new expenditure. In practical operation, German railway officials have taught the railway world nothing. It would be difficult to point to a single important invention or improvement, the introduction of which the world owes to a State railway.

Prussia's Way of Working

"That Prussia was the only country where the State system shows a profit after payment of operating expenses and interest on capital," said Mr. Acworth, "followed because Prus-

(Continued on page 6)

CANTLEY GIVES DENIAL OF SCOTIA PLANT IN U.S.

President of Steel Company Says That There is Nothing in Sensational Report.

Montreal, May 11 (Special).—Col. Thomas Cantley, who is at the Windsor Hotel to-day, denies in the most positive, straightforward and unequivocal terms the news that have been published in the United States and Canada recently that the company proposed building a plant in the U. S. There is not a word of truth in the statement, he said. Any additions that are made will be made to our Canadian plants. Colonel Cantley also branded as absolutely false the assertion that the company's plant required modernizing at great expense. The fact that our output for the month of March was 14,550 tons—the largest month's output we have had—is ample refutation of that statement, he said. The rumor about the changes in management and the transfer of the company's chief manufacturing activities to the United States first emanated from Boston News Bureau, and were amplified by certain Canadian papers.

D. D. Ross, Toronto, in giving a similar denial, said that the relations between American and Canadian interests were working harmoniously, but did not deny that there were developments as to control.

THE WAR TAXES.

The Government Attitude as to Depreciation and Replacements.

In connection with the increased taxation of war profits the point has been raised as to what consideration is being shown to companies which have installed new plant and equipment for shell-making, and which stand to be in a weak position after munitions orders pass in; they have not made heavy payments of their plant from current revenue.

In official circles at Ottawa THE POST'S correspondent learns that the case of each individual industry is considered on its merits and proper allowance made for depreciation and current profits invested in new plant and machinery. The companies are being fairly treated in this connection and even generously. THE POST has heard of no complaints on this score.

The town of Orillia's issue of $52,014.54, 6 per cent., 20-instalment bonds, which are reported on page 12 of this issue as having not been awarded last week, have been sold to R. C. Matthews & Co.

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Undivided Profits, $1,414,423.
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IMPERIAL BANK OF CANADA
The annual meeting of the shareholders will be held at the Head Office of the Bank of Wednesday, 23rd May, 1917. The chair to be taken at noon.

THE **STANDARD BANK** OF CANADA
HEAD OFFICE - TORONTO
A GENERAL BANKING BUSINESS TRANSACTED
SAVINGS DEPARTMENT AT ALL BRANCHES
EST'D 1873

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NEWS OF SECURITIES—Market Continues Weak

STEEL

Steel Securities Unfavorably Affected by the General Weakness of the Situation.

By P. Bain, M.E., Editor Canadian Machinery.

The market has had another quiet week and interest in steel securities has again been lacking. The depressed condition of the market in New York and unfavorable news from Russia have both had an adverse effect on the situation here. Trading in steel securities has again been light. The steel list generally has exhibited a weak tendency and in some cases declines of one or two points have been registered. With an improvement in the political situation in Russia, which now looks more hopeful, a firmer tone should be imparted to the market. Events in the United States are generally assuming a definiteness of character which is having a favorable influence in Canada, and is tending to make conditions here more settled. A report originating from Boston states that the Nova Scotia Steel & Coal Co. contemplates erecting a steel plant at some point on the seaboard in the United States, and also a reorganization of the management.

In view of the fact that conditions in the steel trade in Canada are materially affected by the situation in the States, developments there are being followed closely. All indications in the market in the United States point to higher prices and more pronounced shortage of steel. Government buying is decidedly heavier and large orders will likely be placed for steel within a short time. It is becoming more evident that the American Government and the Allies will combine in placing orders for steel which may result in the present fixed prices being revised upwards so as not to disturb the situation. As in the States, steel prices are still advancing in Canada, and there is no indication of any recession in the market. The demand for steel of all descriptions continues heavy, which is taxing the capacity of the mills to supply the tonnage required. The requirements, however, are such that the mills cannot take care of all the business offering and consequently are behind on deliveries. The result is that there is a shortage of steel for many purposes other than munitions. The present high cost of steel, particularly structural material, is restricting building operations, while the high cost and scarcity of merchant bars and small shapes, etc., is handicapping manufacturers who use these materials. The scarcity of iron and steel is likely to become more acute as the demand is increasing, consumers generally will, therefore, be worse off than ever. Conditions in the steel trade in the United States are affecting the situation in Canada to a like degree. The American Government's requirements of steel will undoubtedly be heavy, which in view of the sold-up condition of the mills will tend more to force prices up. Steel prices in Canada will advance in sympathy, which means higher prices for the consumer, on both imported and domestic material.

The more important price changes to note this week are wrought pipe, pressed steel spikes, proof coil chain, galvanized sheets, and billets. Wrought pipe has advanced $14 per ton, and includes both black and galvanized material. Pressed spikes have advanced 60c per 100 pounds due to the high cost of raw material. For the same reason chain has advanced approximately 5 per cent. No change is noted in the situation in iron and steel tubes and prevailing prices are largely nominal. The new demand for steel plates is heavy and prices are very firm. In view of the heavy demand for plates for shipbuilding, higher prices are looked for. Open hearth and Bessemer billets are now $80, and forging billets $105, f.o.b. Pittsburgh.

The pig iron situation locally is unchanged and no prices are obtainable. In Buffalo prices range around $45 furnace, for all grades. The furnaces are not anxious to do business, as very little iron is available that has not been contracted for.

	Close, May 3	Close, May 10	Change
Can. Car, com.	28	28⅛	+ ⅛
Do., pref.	69	67	— 2
Can. Loco., com.	59	58	— 1
Dom. Iron, pref.	91½	90¾	— ¾
Dom. Steel	59	59¼	+ ¼
N. S. Steel, com.	91	90	— 1
Steel of Can.	57¾	57½	— ¼
Do., pref.	93	92½	— ½
Russell, pref.	105	103	— 2

NOVA SCOTIA STEEL & COAL CO.

Rumor has been unusually busy of late with the affairs of the Nova Scotia Steel & Coal Co., but no authoritative statement is available as to the company's intentions. It is believed, however, that the erection of a plant on the United States seaboard is well within the probabilities of the near future. In fact, this eventuality has been more or less discussed ever since the American interests represented by Hayden and Stone, of Boston, bought into the company. The company's inexhaustible supply of iron ore and coal place it in a peculiarly advantageous position to compete for a portion of the United States business. In the event of a new plant being erected in the United States it is believed that the company's plant in Nova Scotia will also be enlarged. The expansion of the company's business necessitates increased facilities. Steel shipbuilding offers great possibilities for the future. These suggested changes, of course, involve large expenditures, and the method of financing to be adopted is, no doubt, now being considered by the directors. Instead of selling more bonds, it is suggested that the directors may decide to pay a dividend on the common, with an idea of sending the stock up to par, and then offer another block of stock for sale at par. This is, of course, only conjecture, but it is one of the suggestions that are being heard. The common, which closed last week at 90½, advanced to 93 on Tuesday, but sold at 60 to 89* and 90 on Thursday on light trading.

DOMINION STEEL.

It is expected that the annual statement of the Dominion Steel Corporation will be made public the latter part of next week, although the annual meeting of the company will not be held until about June 20. While Mark Workman, the president of the company, declines to give out any preliminary figures, THE FINANCIAL POST hears that the earnings will approximate $10,000,000, which will be at the rate of over 30 per cent. on the common stock. After deductions for fixed charges, sinking fund and preferred dividends, the surplus available for dividends on the common stock would, on this basis, be about 20 per cent. The difficulty with the miners at Sydney will be satisfactorily adjusted. A further increase in wages has been granted by the company. The labor scarcity is still acute. In spite of the efforts of the company's labor agents, who are continually scouring the country for men; it is difficult to get an adequate number. The stock, which closed at 58½ last week, after selling at 60¾ on Tuesday, receded to 58½ on Wednesday.

CANADIAN CAR.

THE FINANCIAL POST is informed that the Canadian Car & Foundry Co. has a lot of big orders pending, with a fair prospect of closing some of them in the near future. The Canadian railways have let their rolling stock run down, but just as soon as the Government's policy with regard to the roads dealt with in the reports of the investigating commission has been decided upon, large orders will no doubt be awarded, and the Canadian Car & Foundry Co. will get its share. The common, which closed last week at 28, is quoted at the same price this week, but the preferred, has been a little softer, selling down to 66, as compared with last week's close of 69.

U.S. STEEL CORPORATION.

April earnings of the United States Steel Corporation are estimated between $43,000,000 and $45,000,000. March earnings aggregated $43,630,422. If the April ratio is maintained the net earnings of United States Steel in the second quarter of the current year will run between $125,000,000 and $150,000,000. This would leave the surplus available for the common stock of approximately $100,000,000, equal to over $20.50 a share on that issue, or at the rate of $82 a share a year. If regular dividends and three per cent. extra on the common are paid there will remain a final balance of $84,200,000, comparing with $69,637,000 in the first quarter. This would give the Steel Corporation a surplus after all charges, including dividends, in the first half of the year of $154,100,000 comparing with $201,836,000 in the full year of 1915. If net earnings reach $127,500,000 in the current quarter the surplus from Jan. 1st, 1916, to June 30th, 1917, a period of 18 months, will approximate $356,000,000, equal to more than $70 a share on the common stock. United Steel by the close of the current quarter will have actually added to its assets since its organization a total equivalent to more than $140 a share on the common stock.

TEXTILES

Securities Held Well Despite the General Depression of the Market.

By H. H. Black, Editor Dry Goods Review.

In spite of the general depression in stocks, textiles held up well during the week, and, on the strength of an increased dividend, established a new high record for the year. The transactions with this single exception, were lighter than usual.

An important event in the textile world this week was the appointment of a Canadian Wool Commission to take charge of the distribution of the Australian wool that has been released by the British Government for Canadian war and domestic requirements. The members of this Commission are all leading knit goods or woolen manufacturers. Mr. George Pattinson, Preston; Mr. L. Bonner, Paris; Mr. C. W. Bates, Carleton Place; Mr. James Rosamond, Almonte; Mr. George Forbes, Hespeler, and Mr. F. B. Hayes, Toronto, Honorary Secretary. Lieut. W. G. Worth, 18th Batt., C.E.F. will act as the Commission's agent in Bradford, England, the great wool center. The Commission will facilitate the distribution of the imported wool and prevent speculation. The working out of this plan will remove the danger of a scarcity of wool that otherwise would have lessened the production of Canadian textile mills and conceivably, might have forced some to shut down. Another advantage will be that a more uniform scale of prices will be secured that will enable business to be carried on more intelligently for all parties from mill to consumer.

CANADIAN CONVERTERS.

There was no movement in this stock during the week. The investors have faith in it as a security and in view of the strong position of the mill are warranted in holding on at present prices. The only lot sold last week was at 41, the price that has been maintained since early in March when it reached 41½.

CANADIAN COTTONS.

The annual meeting of Canadian Cottons, Limited, will be held at Montreal on May 18. The financial statement is now in the course of preparation, and it is believed that it will be very satisfactory to the shareholders. There have been no transactions in the securities of the company this week. The common closed at 52 last week. The common recovered one point this week, selling at 52, as compared with 51 the two preceding weeks. A few sales were made in the preferred at the end of last week at 70, the same figure as one week ago.

DOMINION TEXTILE COMPANY.

THE FINANCIAL POST'S forecast of an extra distribution for the shareholders of the Dominion Textile Company proved to be correct, although it comes in the form of an increased dividend and not as a bonus. With the declaration of 1¾ per cent. for the current quarter, the common goes on a 7 per cent. basis, and is thus placed on a parity with the preferred. It is quite evident that the directors see their way clear to maintaining the dividend as now established. The stock was placed on a 6 per cent. basis in December, 1912. The action of the directors foreshadows a very fine financial statement for the fiscal year just closed. The prospects are also very bright for the coming year, the aggregate of the orders on hand being about $7,000,000. This business is sufficient to guarantee the mills of the company being kept running to their full capacity for at least seven months.

The announcement of the increase in dividend started a regular flood of high offers—for textile stocks—and common reached 86½, 3 full points above the close of last week, and 5½ points above the price at the beginning of the year. The 86½ now stands as a record mark for 1917. As has been noticed with all the textile stocks this year, the preferred naturally did not benefit by the increased dividend, not even as typifying a very favorable financial statement impending, and the public left it entirely alone. The figure of last week was 102 for a few shares.

MONARCH KNITTING.

With almost monotonous regularity all shares of common of this stock are exchanged at 40, a figure that has reigned supreme since the beginning of the year. This was the experience this week. The preferred remained quiet, as it has been since four weeks ago when a few shares sold at 80.

MONTREAL COTTONS.

Montreal Cottons has been a quiet performer on the Montreal Exchange recently. A few shares of the preferred changed hands this week at 101½, which is unchanged from last week's close, but there have been no sales of the common. The company is making good progress with its orders, but it will be some time before they are overtaken.

PENMANS.

The general weakness of the market seems to have shaded Penmans off a little this week, as the first 50 sales of common were at 68, a drop of 1½ points from last week's close. The inherent value of the stock did not allow it to remain at this low point for the year but it recovered to 69 on Wednesday. A few shares of preferred sold at 82, the same price as two weeks ago; but 3 points below the January figure.

WABASSO COTTON COMPANY.

THE FINANCIAL POST understands that an application to list the securities of the Wabasso Cotton Company on the Montreal Stock Exchange will be made shortly. There is also some talk of a consolidation of the St. Maurice and the Wabasso companies in the near future. The Wabasso company is finding it impossible to keep pace with its orders, and will have an excellent financial statement to present to the shareholders at the annual meeting. The stock is quoted at from 25 to 30, but there is little demand for it at the present time.

PULP AND PAPER

More Selling in the Paper Group Carries Prices of the Whole List Still Further Down

By W. A. Craick.

The general weakness in the stock markets this week, coupled with the fear that the increased business profits tax, if enforced, would interfere seriously with the expansion of the pulp and paper industry, has had a depressing effect on prices this week and general declines have taken place. There was rather more selling than has been the case for some time back, and the newer issues, like Brompton and North American, have come in for considerable liquidation. On the other hand, the older-established issues, such as Laurentide and Riordon, have been very lightly traded in and at comparatively firm prices. The change for the week in the case of the more active stocks is exhibited in the following table:—

	Close May 3	Close May 10	Change
Laurentide	183	180	—3
Riordon	114⅛	115	+ ⅞
Spanish Com.	16	14	—2
Do., Pref.	50¾	49½	—1¼
Wayagamack	73	70	—3
Brompton	50	46	—4
North Amer.	5⅛	4¾	— ⅜
Net change, seven stocks			—12⅝

The investigation into the newsprint situation in Canada being conducted by R. A. Pringle, K.C., as a Royal Commission, was opened at Ottawa this week. The first hearing was preliminary in character, the chief business transacted being the formulation of certain questions to be asked all paper manufacturers in Canada. These relate to the number of plants operated, the output, cost per ton, selling price per ton and profits for each of the past four years. A few manufacturers, with their counsel, were present, and also H. A. Stewart, K.C., representing the Government. The hearing was adjourned until May 21.

It was announced on Thursday that the trial of the five members of the Newsprint Manufacturers' Association and two others charged with violation of the Sherman anti-trust law for alleged price-fixing was set for October 8 next in the Federal Court.

NORTH AMERICAN PULP.

The annual meeting of the North American Pulp & Paper Company, which should have been held at Philadelphia on Tuesday of this week was postponed until June. The results of the company's operations for the fiscal year ending Dec. 31st, as disclosed in the meagre figures issued for publication by J. A. Dubuc, the president, were deceidedly disappointing. The gross earnings reached the very considerable figure of $3,936,110, the net income amounting to $808,261. After deductions for bond interest and amortization there was a net deficit of $312,412. These figures afford a striking contrast to the enormous profits made by the Riordon and other pulp and paper companies. One factor that has no doubt contributed to the company's poor showing is the large number of pulp and paper contracts that it had on its books at the old scale of prices. These are now greatly reduced and will be a negligible quantity this year. Then it should be remembered that this company's financial plans were only completed last fall. Other adverse factors that the company had to contend with were a serious coal shortage, and transportation difficulties. The company had 100 cars of coal seized by one of the railways during last winter, and were forced to close down one of the plants for several weeks. The prospects for the current year are, however, very bright, and if the earnings are maintained for the whole year on the basis of the first three months, the company's profits should run half a million dollars a month.

It is doubtful, however, if these reflections will be very comforting to the people who bought the stock at $15 per share during the boom in paper stocks last fall. It is now selling around $4.75 to $5. Sales were made at Montreal yesterday at both prices. The stock is not listed but has been dealt in mainly on the New York curb. It is reported that an application will shortly be made to list the stock on the Montreal Exchange.

The net earnings of the North American Pulp and Paper Company for the first three months of the present year were $235,000, according to a statement issued by J. E. A. Dubuc, the president of the company. Mr. Dubuc states that, as this is the first period for which the benefit of the new capital raised last fall was felt, the earnings for the present year should total $2,000,000. Bond interest will take about $405,000, leaving a substantial sum for other obligations and a surplus available for dividends.

John Steele, who acted as manager for the syndicate which handled the stock of the North American Pulp and Paper Company, has issued a statement in which he says that the company now has 900,000 acres of pulp lands granted by the Government and own, through the several companies owned and controlled by them, 600,000 acres. A fair value of these properties shows $31,500,000. Mills, power houses and other properties could not be duplicated for $10,000,000.

WAYAGAMACK.

Trading in Wayagamack reached several hundred shares on Thursday, when the price declined from 71 to 69, closing at 70. Wayagamack has been selling down steadily for some weeks past and at 70 is at a very low level.

SPANISH RIVER.

Rather more than the usual interest has been taken in the issues of the Spanish River Company lately and several sales have been recorded during the past few days. The common stock has been sagging somewhat and on Thursday went back to a low of 14. The preferred has also been weaker and after holding at 50 or slightly better it sold off to 49½ on Tuesday.

RIORDON.

After remaining untraded in for over a week, Riordon shares were sold in limited quantity on Tuesday and Thursday at from 112 to 115. Some support seemed to be forthcoming for the stock, which closed at the high point on Thursday. The effect of a possible increase of taxation on Riordon profits has been amply discounted at these figures.

MILL AT FORT WILLIAM.

Mayor Murphy, of Fort William, who returned from the east this week, announces that work will be begun by June 1 on a 150-ton pulp mill on the site adjoining the Canadian Government railway docks. The plant will be completed by November 1. The Kaministiquia Power Company will supply 8,500 horse power, and the city a million and a half gallons of water. As soon as the pulp mill is running a 100-ton paper mill will be erected by the company, which will employ six hundred men, and has immense limits of timber land secured.

BROMPTON.

The Brompton Pulp and Paper Company, has recovered $3,047 from the Township of Lendwick, by a judgment delivered by Judge Globensky at Sherbrooke. The amount was paid at various times

and the company one day awoke to the fact that they were not legally liable for any such taxes. The municipality refused to repay the money, however, and an action followed. The municipality must also pay the costs of the action.

Speaking to THE FINANCIAL POST, J. A. Bothwell, general manager of the Brompton Company, said that the company earnings were very satisfactory at the present time. The demand for all the company's products was keen, and the prospects he regarded as very bright. As a result of the increased profits taxation the company had decided not to proceed with its contemplated extensions at the present time. Brompton touched a new low record this week, selling down to 46.

LAURENTIDE.

Laurentide securities, which have been somewhat neglected for a considerable period, were dealt in on Monday, at 180, an advance of four points over the last previous sale of a board lot. There has been no trading since that.

GREAT EASTERN PULP.

The Great Eastern Pulp Company has been organized at Quebec for the purpose of erecting and operating pulp and saw mills at Madeline River, Gaspe County, Quebec. The officers elected are as follows: President, John Mullen, of Bangor, Maine; Vice-president, Archibald Hay Cook, K.C., Quebec. There will be a bond issue of $600,000 and a stock issue of a like amount. The pulp mill will have a capacity of 30,000 tons of ground wood pulp annually, and the output of the saw mill will be 10,000,000 feet. The company owns 300,000 acres of timber lands, assuring an adequate supply.

DELMAS PULP.

The assets of the Delmas Pulp and Paper Company, including limits and a forty-five ton pulp mill at St. Amadee de Peribonka, Lake St. John, have been sold to Ralph Barclay and Theriault, of Montreal. The sale was made by the Banque Nationale, who had a claim against the property for $105,000. The company went into liquidation some time ago. A new company will be organized and THE FINANCIAL POST has been informed that the output for a term of years has all been contracted for by the American Newspaper Publishers Association. J. P. Marion, had an option on this property, and had been making plans to float a company to take it over, when Barclay stepped in and closed the deal. Marion is threatening to take action against the Banque Nationale for contravention of the contract and damages.

MILLING

Sensational Developments in Winnipeg Exchange Have Little Effect on Securities.

By J. L. Rutledge, Editor Canadian Grocer.

During the present week the attention of all those interested in milling securities and the milling trades have had their eyes toward the sensational developments in the Winnipeg wheat pit which seemed for a time to promise a more than possibility of financial disaster. As a possible result of this situation and the uncertainty as to what this situation might portend for the industry, there has been little activity in any of the stocks, though such trading as there was seemed to set at rest any uneasiness on this score.

The situation in the Winnipeg Grain Exchange resulted from the heavy buying of the Allied Governments. The usual hedging of the elevator companies were not as formerly bought up by small speculators anxious to make a small profit and get out. In this instance most of those hedgings found their way into the hands of the Allied Royal Commission. The situation was still further complicated by the low quality of the wheat grade for the year which was far below the requirements of the Allied buyers contracts, consequently when the shorts tried to cover they were brought face to face with a practical corner. The disaster that might have followed the frenzied activity of the shorts was saved by the drastic means of putting a censorship on all trading in May and July options. This was a measure of only temporary safety, but the situation has been saved by the enlargement of the qualities purchased by the commission, to take in a good deal of lower grade wheat. In this way it has been possible to bridge over a situation that might very well have been a catastrophe.

Wheat trading has steadied a little during the week, cash wheat at Winnipeg being quoted at $2.85 per bush., as compared with $2.95¾ of the Thursday previous. Winter wheat has advanced on the report of the American Department of Agriculture, of the very unsatisfactory condition of the wheat crop throughout the American West.

Flour still remains strong even at a $15 figure, and there are not wanting indications that there may be a still further advance in this commodity. Trading has been extremely light, however, which may tend to have a corrective influence. On the whole, however, it is the confident expectation of those usually best informed that there is no likelihood of any great decline prior to the end of the war.

Mill feeds, on the other hand, tend to be somewhat easier. The opening of summer with the growth of pasturage, has materially decreased the demand, with a consequent weakening effect.

MAPLE LEAF.

Of the milling securities Maple Leaf once again showed the greatest activity. During the trading of the early part of last week and the beginning of the present one this stock showed a good deal of vitality, staying fairly close to the 106 figure, and varying only a fraction of a point either way. On Wednesday of this week, however, the stock showed a tendency to slump owing to the lack of market rather than to any other cause. There was heavier selling than has been the case for some days past, and, with only a very limited buying demand, the stock suffered as a result the stock dropped to a low of 101 though there was a reasonably good recovery before the end of the trading.

The preferred on the other hand remained practically normal, the variation in the week being only ⅜ point.

LAKE OF THE WOODS

This stock remained entirely inactive during the week as has been the case with it for some weeks past. The last sale recorded in the common was 26 and in the preferred 116.

OGILVIE MILLING.

There has been only a limited activity in this stock but such trading as has taken place has been of a satisfactory nature. The last sale in the common was at 144¼, only a half point off the high figure of the previous week. The preferred remained steady at 112, with few sales recorded.

SHREDDED WHEAT.

Shredded Wheat showed somewhat of a decline over the prices of last week. Wednesday's sales were made at 123, three points off the figure of the previous week. There was no sale in the preferred, the last figure quoted there being 95.

Evidently under the influence of the abnormal condtiions in the wheat market there was a break of two points in the price of Shredded Wheat to 132. This figure compares with a high record of 146.

The company a short while ago, in the face of the wheat market, was forced to advance the price of its product, but the management has been highly commended in not a few quarters for its thoughtfulness of the jobbers' interest in increasing the discount to them at the same time that it was found necessary to increase the selling price.

Judge Thomas, of the Federal District Court for the District of Connecticut, has filed at New Haven a decree in the suit of the Shredded Wheat Company v. the Ross Food Company et al., completely upholding the Shredded Wheat Company's contention that the Ross Company, in making a biscuit substantially identical with its product, and selling it as it did, was guilty of unfair trade practices. The court issues a permanent injunction against the further sale of the Ross biscuits unless clearly specified on each biscuit as distinct from the well-known shredded wheat biscuit. It is understood that the Ross Company will probably appeal the decision.

It will be recalled that this is the original action by which the Shredded Wheat Co. tried to prevent the sale of the Ross product, which was identical with its own appearance, on the ground that it was made and sold with an intent and effect of confusing the public, and thereby profiting by the original company's reputation and advertising.

MINING STOCKS

A Depressing Week in the Mining Market With Practically All Stocks Selling Off Several Points.

By W. A. Craick.

Fear of reduced production and consequent lessened profits has had a most depressing effect on the mining market this week. Under the lead of Big Dome, whose directors have cut the dividend in half owing to the difficulty of maintaining production, the whole market has sold off. How pronounced has been the slump is illustrated by the following figures, which show the position of leading gold and silver stocks a week ago, and at the close of the market on Thursday afternoon. It will be noted that the gold stocks have suffered most. In the case of the silver stocks, decreased production is likely to be offset by higher prices for silver, which makes up for the shortage of supply, but this condition unfortunately does not apply in the gold mining industry.

	Close, May 3	Close, May 10	Change
Gold—			
Hollinger	4.95	4.75	—.20
Dome Mines	14.75	11.50	—3.25
McIntyre	1.69	1.55	—.14
Newray	1.48	.78	—.70
West Dome	.22¾	.19	—.03¾
Dome Exten.	.19½	.12½	—.07
Boston Creek	.85	.75	—.10
Vipond	.40	.38	—.02
Silver—			
Beaver	.36	.35	—.01
Hargraves	.16	.11	—.05
McKinley	.53	.51	—.02
Temiskaming	.40	.40	....
Nipissing	7.40	7.35	—.05

A convention of mines was held last week in Cobalt, attended by representatives from Cobalt, Porcupine, Kirkland Lake and Gowganda. It was decided that efforts should be made to try to secure the adoption of the wage scale as drafted in March last and endorsed by a referendum vote of the members of the International Union of Mine, Mill and Smelter Workers. A conference with the mine operators will be asked for, and ample time will be given for a consideration of the workers' requests. Every effort will be made to avoid friction and the hope was expressed that an amicable arrangement might be arrived at. The action of the mine workers postpones still further the settlement of a question which has long exerted an unfavorable influence on the market for mining shares, but so conciliatory was the tone of the convention that it is hoped no difficulty will now develop in arriving at a settlement.

The action of Dome Mines in slowing up on production and reducing dividends, follows similar action on the part of Hollinger, and is a policy which will probably be adopted by other mines.

Silver was quoted in New York yesterday at 74⅝ cents an ounce, this comparing with 75⅛ cents a week ago. The price has been under 75 cents all week, being 74⅝ cents on Monday, 74⅞ ceents on Tuesday and Wednesday, and 74⅝ cents on Thursday and Friday.

DEVLIN MINING CO.

A meeting of the directors of the Devlin Mining Company was held in Montreal this week, to consider an offer that has been received from New York capitalists for the property. This mine was worked for some time, and quite a quantity of silver was taken out. It was closed down for lack of capital. R. M. Devlin, of Ottawa, is president of the company, and G. A. Forbes, of Montreal, one of the directors.

CONSOLIDATED SMELTERS.

For the final nine days of April receipts at the Trail Smelter fell to 5,789 tons, of which the bulk was again supplied by the Sullivan mine. The total for the seven months ending April 30 is 256,909 tons.

BEAVER.

Managing Director Culver, of Beaver Consolidated, announces a find of 3,000-ounce ore on the fourth level of the mine, where a six-inch vein of high-grade was encountered late last week. The mine is also in high grade on the 600-foot level, where the vein carries rich values for 150 feet so far. Exploration work below the lower contact is proceeding.

PETERSON LAKE.

The annual report of the Peterson Lake Mining Company, Limited, which has been mailed to shareholders, places cash assets at $53,491.90, less $4,572 unpaid dividends. During the last year $126,095 was paid in dividends, according to the secretary's report. The operating statement for the year shows a net loss on operations amounting to $43,555. Expenditures for the year were as follows: Mine expenses and supplies, $7,192; development work, $25,123; office administration and general expenses, $15,279. With the addition of the three dividends paid during the year the total of expenditures reaches $169,650.

Expenditures from March 11 to April 30, 1917, were $844 for mine expenses, $1,234 for development and $819 for general expenses, a total of $3,076. For this period the loss on operations amounted to $2,876.

Managing Director S. G. Forst, in his report, referred to the oil flotation of the tailings on Peterson Lake, which will be commenced shortly.

McINTYRE.

A second dividend of 5 per cent., payable on May 31, was declared by the McIntyre directors last Friday. Some uncertainty had been felt, in view of labor and other difficulties, about the declaration of this dividend, so that its appearance proved a reassuring feature. It is understood that the financial statement presented at the meeting showed a substantial surplus, and that earnings are now larger than ever before. Preparations are being made by the installation of an additional air compressor of about 30-drill capacity to carry on development work on a much larger scale.

Even the dividend declaration did not help McIntyre shares to any marked extent, and liquidation carried the price down as low at 1.54.

HOLLINGER.

Earnings for each of the four-week periods ending February 25 and March 25, were slightly in excess of $210,000, while dividend requirements for the two months were only $125,000, so that the company should experience no difficulty in maintaining dividends at the present reduced rate. The deficit on recent operations will be wiped out in another two months, and a start made at the accumulation of another surplus. Development is reported to be proceeding most satisfactorily, while construction of the new mill unit is not being hurried.

Hollinger shares have been suffering from the general market weakness, and on Wednesday they sold down as low as 4.65.

DOME MINES.

The feature of the week in mining circles was the announcement on Monday that the directors of Dome Mines had decided to cut their quarterly dividend from 50 to 25 cents a share. The action was taken "in view of the extremely unsatisfactory labor conditions prevailing in the Porcupine mining district, which has caused curtailment of both development and production." The stock has been extensively liquidated since this announcement was made, and on Thursday it struck a low point of $11.00. To reassure the market, a statement was issued by a New York news agency on Thursday, doubtless inspired by the directors. It read:

"The annual report shortly to be issued will show large bodies of rich ore discovered during the past year. J. R. De Lamar, a director of the company, suggests that shareholders should hold their stock until they have read the annual report and noted the rich bodies of ore discovered in various parts of the mine to a depth of 1,650 feet, and the sound financial position of the company, with over a year's requirements in way of supplies on hand. It may be stated on good authority that Mr. De Lamar has not been a seller of the Dome shares, but has added to his holdings, which are in excess of 25 per cent. of the entire capital stock of the company."

April production figures gave every justification for a dividend cut. There was a decline of approximately 25% in both tonnage and value of bullion. The monthly production for the present calendar year was as follows:

	Tons milled	Bullion produced	Value per ton
January	39,600	$181,000	$4.57
February	36,270	172,500	4.76
March	36,700	175,000	4.80
April	28,900	132,000	4.60

ELECTRIC RAILWAYS

Securities Market Has Shown Sharp Decline, With Many Stocks Affected.

The week has seen many readjustments in the market values of traction securities. Several factors appear to have been at work. In the United States there is evidently fear of taxation and disturbed conditions, both as regards traffic and labor, while the outlook so far as the cost of rolling stock and supplies is concerned is anything but favorable. In Canada, labor appears to be the chief disturbing element in the cities, and in both Winnipeg and Toronto the men have made demands. Brazilian was an outstanding feature of the market, showing strength in the face of the general weakness.

Holders of public utility stocks generally will be interested in the decision from Ottawa, by which the Dominion Government evades the question of disallowance of legislation passed by the Ontario House, which is alleged to be in violation of the rights of the Electrical Development Company. The Minister of Justice refers the matter back to the courts, which have already refused to act. If then there is no restraint upon the legislation the right of many private corporations are in jeopardy. It would now appear that it would be for the Privy Council to rule in the matter and steps are being taken to have the matter brought before that body.

BRAZILIAN.

Gross earnings of the Brazilian Traction, Light and Power Company for March amounted to 7,549,000 milreis as compared with 6,913,000 milreis for the same month in 1916, an increase of 636,000 milreis. Operating expenses amounted to 3,398,000, as against 3,130,000 milreis, an increase of 268,000, while net earnings were 4,151,000 milreis compared with 3,783,000, an increase of 368,000 milreis, which compares favorably with a gain in net shown in February of 366,000 milreis and a gain of 161,000 milreis in January. Following are comparative figures of net earnings since April, 1916.

The aggregate gross earnings from January 1, to the end of March amounted to 21,687,000 milreis compared with 19,815,000 milreis for the corresponding period in 1916, an increase of 1,872,000 milreis, while the aggregate net earnings were 12,038,000, an increase of 895,000 milreis.

	1916 Milreis	1915 Milreis	Change Milreis
April	3,774,000	3,705,770+	68,230
May	4,043,000	3,091,980+	51,020
June	3,864,000	3,896,770—	32,770
July	4,050,000	3,900,000+	150,000
Aug.	3,982,000	3,807,000+	175,000
Sept.	3,703,000	3,705,000—	2,000
Oct.	3,821,000	3,907,000—	86,000
Nov.	3,673,000	3,440,000+	233,000
Dec.	3,863,000	3,412,000+	451,000
	1917	1916	Change
Jan.	4,002,000	3,841,000+	161,000
Feb.	3,885,000	3,519,000+	366,000
Mar.	4,151,000	3,783,000+	368,000

In the face of improving earnings and strengthening of exchange, Brazilian Traction has held firmly this week despite the general downward tendency. Early in the week the price moved up to 40 and only fractional losses have since been registered.

DULUTH-SUPERIOR.

For the week ending April 30, the gross earnings of the Duluth-Superior Traction Company amounted to $37,996, as compared with $31,726 for the corresponding period in 1916, an increase of $6,270, or 19.8 per cent. For the month of April the earnings were $130,662, as against $105,936, for April a year ago, an increase of $24,725, or 23.3 per cent. Comparative figures for the month are as follows:

Ist week	31,750	25,727	6,023	23.4
2nd week	31,359	23,995	7,363	30.7
3rd week	29,555	24,487	5,068	20.7
Remainder of month	37,996	31,726	6,270	19.8
Month	130,662	105,936	24,725	23.3

Duluth Superior, with the other traction stocks, felt the effects of the influences of the week and dropped to 47½, being 2½ points off. The company's showing is a very satisfactory one, but it was evident that the market opinion thought that some readjustment of the values of traction securities was in order in view of the prevailing conditions.

QUEBEC RAILWAY.

There has been very little trading in the securities of the Quebec Railway, Light & Power Company this week, but the price has been off to 26, as compared with a close of 27¾ last week. The legislation which will be introduced to clear up the Quebec and Saguenay matter, has not been brought down as yet.

WINNIPEG ELECTRIC.

The March statement of earnings of the Winnipeg Electric Railway Company shows gross amounting to $293,094; net earnings $83,641, and net after fixed charges $21,442. These figures are more illuminative when compared with the corresponding average figures for the year 1913, that being the period before the development of the jitney competition and the depression of the early war period. At that time the gross earnings were $340,000; net after operation $150,000, and net after fixed charges $104,000.

Following the publication of the annual statement of the Winnipeg Electric Company, the stock has been hard hit on the market. Sales have taken place as low as 50, which compares with a last previous price of 69 at the latter part of March and 80 a month earlier. There is word from Winnipeg to the effect that employees are demanding higher wages, while there is some chance of increased competition and these factors are evidently having a disturbing effect.

MONTREAL TRAMWAYS.

City Engineer McLeod reports a general improvement in the service of the Montreal Tramways Company. There has been a very notable decrease of con-

Continued on page 4.

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Conducts a General Banking and Foreign Exchange business and has ample facilities for handling collections and remittances from Canada.

THE LONDON CITY & MIDLAND BANK LIMITED.

HEAD OFFICE: 5, THREADNEEDLE ST., LONDON, E.C. 2
FOREIGN BRANCH OFFICE: 8, FINCH LANE, LONDON, E.C. 3.

Subscribed Capital $111,677,782.94
Paid-up Capital 23,266,202.34
Reserve Fund 19,466,400.00
Deposits (31st Dec., 1916) $849,809,215.41
Cash Reserve 233,468,740.28

Sir EDWARD H. HOLDEN, Bart., *Chairman.*

The Weyburn Security Bank

Chartered by Act of the Dominion Parliament.

HEAD OFFICE, - WEYBURN, SASK.

NINETEEN BRANCHES IN SASKATCHEWAN.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; Chas. A. Johnson, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

UNION BANK OF CANADA

Dividend No. 121

NOTICE is hereby given that a Dividend at the rate of eight per cent. per annum, upon the Paid-up Capital Stock of the UNION BANK OF CANADA, has been declared for the current quarter, and that the same will be payable at its Banking House, in the City of Winnipeg, and also at its Branches, on and after Friday, the 1st day of June, 1917, to Shareholders of record at the close of business on the 16th day of May next.

The Transfer Books will be closed from the 17th to the 31st day of May, 1917, both days inclusive.

By Order of the Board,

H. B. SHAW,
General Manager.

Winnipeg, April 19th, 1917.

A Time To Be Cautious

It is no doubt a time to be cautious. But it is possible to be over cautious. There is no reason why a man should leave his money on deposit when he could as easily and with equal safety obtain 5% by investing it in

Mortgage Corporation 5% Debentures

At the present time, Mortgage Corporation 5% Debentures form a profitable and safe investment for idle money.

Interest at 5% is payable in cash at your local bank on the day it is due. Principal on the date agreed upon.

The busy or inexperienced investor has no worry, no watching of values and markets. His security never shrinks.

Not a dollar has ever been lost by an investor in these Debentures.

An interesting booklet about "PROFITS FROM SAVINGS," which gives some very valuable advice, will be sent free on request. Write for it to-day.

STANDARD RELIANCE MORTGAGE CORPORATION
Head Office 82 88 King St E Toronto

Branch Offices:
AYR BROCKVILLE CHATHAM
ELMIRA NEW HAMBURG

Municipal Bond Sales for 1916

COMPILED, REVISED AND TABULATED FROM OFFICIAL REPORTS

¶ A list of original purchasers, price and income basis of the Municipal Bonds sold in 1916, showing purpose, amount, interest rate and maturity of each issue. The names of the borrowing States, Counties, Cities, etc., are arranged alphabetically by States.

PRICE $5.00 PER COPY

THE BOND BUYER
The Authority on Municipal Bonds
25 WEST BROADWAY NEW YORK, N.Y.

DIVIDENDS DECLARED

Bank of Hamilton

Dividend Notice

NOTICE is hereby given that a Dividend of Three per cent. (Twelve per cent. per annum) on the paid-up capital of the Bank, for the quarter ending 31st May, has this day been declared, and that the same will be payable at the Bank and its Branches on 1st June next.

The Transfer Books will be closed from the 24th to the 31st May, both inclusive.

By order of the Board.

J. P. BELL, General Manager.

Hamilton, 23rd April, 1917.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF TWO AND-ONE-HALF PER CENT. upon the paid up Capital Stock of this Institution has been declared for the current quarter, also a BONUS OF ONE PER CENT., both payable on and after Friday, the FIRST DAY OF JUNE next, to Shareholders of record of 30th April, 1917.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR,
General Manager

Montreal, 24th April, 1917.

Canadian Pacific Railway Company

Dividend Notice

AT a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 31st March last, being at the rate of seven per cent. per annum from revenue and three per cent. per annum from special Income Account, was declared payable on 30th June next to shareholders of record at 3 p.m. on 1st June next.

By order of the Board.

ERNEST ALEXANDER,
Secretary

Montreal, 2nd May, 1917.

THE DOME MINES COMPANY, LTD.

Par value $10.00
(No Personal Liability)
Executive Offices
No. 43 Exchange Place, New York

May 7, 1917.

THE Board of Directors have this day declared a Dividend of 2½% (Twenty-five cents per share), payable June 1st, 1917, to shareholders of record at the close of business on Saturday, May 19, 1917.

J. R. DeLAMAR, President and Treasurer.

ILLINOIS TRACTION COMPANY

Notice of Dividend No. 17

A QUARTERLY Dividend at the rate of Three per cent. (3%) per annum on the Common Stock of the Illinois Traction Company has been declared for the quarter ending April 30, 1917, payable May 15th, 1917, to shareholders of record May 1st, 1917.

By order of the Board.

GEO. M. MATTIS,
Treasurer

Champaign, Ill.

The Canadian Bank of Commerce

DIVIDEND NO. 121.

NOTICE is hereby given that a quarterly dividend of 2½ per cent. upon the capital stock of this Bank has been declared for the three months ending 31st May next, together with a bonus of one per cent., and that the same will be payable at the Bank and its Branches on and after Friday, 1st June, 1917. The Transfer Books of the Bank will be closed from the 17th to the 31st of May next, both days inclusive.

By order of the Board,

JOHN AIRD,
General Manager.

Toronto, 20th April, 1917.

The Royal Bank of Canada

DIVIDEND No. 119

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the Paid-up Capital Stock of this Bank, has been declared for the current quarter, and will be payable at the Bank and its Branches on and after FRIDAY, the FIRST DAY OF JUNE next, to Shareholders of record of 15th May.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., April 17, 1917.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND.

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1917, payable July 3rd, 1917, to shareholders of record June 15th, 1917.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 7th May, 1917.

HELD MORTGAGES.

Deceased Torontonian Invested Bulk of Money This Way.

The late Matthew O'Connor, of Toronto, who died on March 21 last, left an estate of $60,430, of which the bulk was invested in real estate and mortgages. He had $17,440 in nine mortgages; $13,276 cash; 51 shares Home Bank stock valued at $3,264 and the following houses:—106 Maitland street, $13,500; 35 Howard street, $3,600 and 37-39 Howard street, $8,600.

NEWS OF SECURITIES

Continued from page 5

gestion. Only one serious decrease in service is noted, and that is one of sixty per cent., on the Amherst-Dufferin line. Increases are particularly noted on Mount Royal avenue, St. Catherine, Wellington, and Notre Dame streets, and in the Longue Point service. No word is heard from the Tramways Commission with reference to the new franchise. The members are still laboring with the problem, and the dimensions of their task do not decrease as time goes on. There is no current trading in the company's securities.

C. N. Armstrong, engineer and vice-president of the Central Railway of Canada, appeared before the Tramways Commission this week and laid before them the project for a union terminal for all railways running into Montreal. The company represented by Mr. Armstrong has a charter which empowers it to undertake the work which it proposes to do. The speaker said that it was his opinion that sooner or later the railways would have to reach the heart of the city through a terminal and common station. It is proposed to make an arrangement with the Montreal Tramways whereby suburban cars would come to the station on the underground lines which Mr. Armstrong's company proposes to build. The property controlled by the company of which Mr. Armstrong is the head, is that included between St. Lawrence and Bleury streets, from east to west, and between Vitre and Lagauchetiere streets from south to north, which forms what is commonly known as "Chinatown." The commissioners were much interested in the Armstrong proposals.

BARCELONA.

Sales of Barcelona this week at 11 indicated a further fractional decline as compared with a week ago. The market is quite evidently being affected by the unsettled conditions in Europe and the general attitude of the investing public.

DETROIT UNITED.

Detroit United felt the weak tendencies of the markets during the week and dropped to around 110, a loss of 3 to 4 points for the week. The general influence of the whole market trend appears to have been the only factor.

TORONTO RAILWAY.

Toronto Railway felt the influence of the trend of traction stocks and the market in general and dropped to 76, which compares with 80 at the opening of the week. Labor conditions are a disturbing factor.

LIGHT AND POWER

NORTHERN POWER.

The Northern Ontario Light and Power Company reports gross earnings for March at $73,329, as compared with $69,611 for the same month in 1916, an increase of $3,718. Net after payment of taxes amounted to $56,293, an increase of $2,001, and surplus after charges amounted to $33,513, an increase of $1,716, which left a balance, after payment of preferred dividend of $21,513, compared with $19,797, an increase of $1,716. For the three months ending with March the gross earnings were $219,840, an increase over the corresponding period last year of $9,095, while the net earnings were $169,444, an increase of $4,052. Comparative figures follow:

March—	1917	1916	Change
Gross	$ 73,329	$ 69,611	+$3,718
Net after taxes.	56,293	54,292	+ 2,001
Surplus	33,513	31,797	+ 1,716
Bal. af'r pfd. div.	21,513	19,797	+ 1,716
Three months—			
Gross	$219,840	$210,745	+$9,095
Net	169,444	165,392	+ 4,052
Surplus	101,104	97,079	+ 4,025
Bal. af'r pfd. div.	65,104	61,079	+ 4,025

SHAWINIGAN.

THE FINANCIAL POST is informed that the Shawinigan Water & Power Company will add between 60 per cent. and 80 per cent. to its present water powers on the completion of the big dam at the head of the St. Maurice River this year. In consequence of this, the company will become one of the largest water power owners in the world. With a view to finding a market for all its power, the company has followed a policy of building up industries and carrying out extensions within the area available to it. Recently there has been large expenditures on La Loute Dam, the Canadian Electro Products company, the Three Rivers Traction company, the Ste. Maurice Paper company, the Public Service Corporation of Quebec, Canadian Electrode company, Canada Carbide and other undertakings which will become increasingly large users of the company's current. The company also owns large interests in other power companies such as Cedars and Civic Investment.

CIVIC INVESTMENT COMPANY.

The transactions that have taken place in Civic Investment securities this week have been light, the price holding firm at 79, and in a few cases fractionally higher. The stock of this company is considered an excellent investment, although it only pays 4 per cent. at the present time. Its policy of reducing rates from time to time, thus making the people of Montreal to a certain extent partners in its prosperity, has commended itself to the public, and made the company popular.

SHAWINIGAN.

Shawinigan was one of the utility stocks which was not affected by the weakness of the market during the week, the price of 121½ being steadily maintained on a light volume of trading.

CONSUMERS GAS.

Consumers Gas showed no ill effects from the week's market developments. In fact at 165½ there was an improvement shown of half a point. The company is evidently in a strong position, and its dividends are assured in such a manner as to make the investment an attractive one under unsettled conditions.

TRANSPORTATION

Interest Centres in the Report of the Royal Commission and the Probable Developments.

The report of the Royal Commission on the railway situation in Canada continues to be the dominant matter of interest in transportation circles. The POST has devoted considerable space to the matter in other columns of the current issue emphasising the point that all members of the commission have now declared themselves as opposed to the principle of public ownership although the majority report takes the anomalous stand that in this particular instance such a course provided the best solution.

In this issue also are printed unofficial views as to the attitude of the Canadian Northern with regard to the matter and expressing the opinion that neither report will be supported by that road and also a statement by President Chamberlin of the Grand Trunk as to the attitude of his road on certain phases of the information which has been presented in the reports.

The railroads are continuing to press for an increase in rates of 15 per cent. although for the time being that issue has been somewhat crowded out of the limelight in Canada. In the United States there is an exhaustive inquiry being conducted and the roads are showing as have those in Canada that under the prevailing conditions it is practically impossible to continue to give efficient service unless there is a larger return for the service rendered while at the same time the whole investment situation has reached a stage where funds cannot be obtained for developments which are so much needed.

Railroad earnings continue to show improvement. For the week ending May 7th they were:

RAILWAY EARNINGS FOR WEEK ENDING MAY 7.

	1917.	1916.	Change.
G.T.R. ..	$1,135,091	$1,030,768	+$104,323
C.N.R. ..	734,500	677,400	+ 57,100
C.P.R. ..	3,065,000	2,763,000	+ 302,000
	$4,934,591	$4,471,168	+$463,423

CANADA STEAMSHIPS.

As foreshadowed in THE FINANCIAL POST of last week, the directors of the Canada Steamship Lines, at their meeting last Tuesday, declared a 5¼ per cent. distribution, thus wiping out the arrears due on the preferred stock. The fluctuation in the fortunes of the Canada Steamship Lines has been remarkable, as indeed it has been in all the cases of all shipping companies, due to the abnormal conditions brought about by the war. The Canada Steamship Lines wound up the year 1914 with a deficit of $151,091, after fixed charges had been paid. Between December, 1914, and December, 1916, a deficit of $570,432 was converted into a surplus of $1,848,225. The prospects are that the earnings of the company for the present year will be even in excess of last year's remarkable record, when the amount available for dividends was $2,483,592.

GRAND TRUNK.

Gross earnings of the Grand Trunk Railway System for the week ending May 7th amounted to $1,135,091 as compared with $1,030,768 for the corresponding period in 1916, an increase of $104,323 or 10.1 per cent., which it will be noted from the following figures compares favorably with the gain shown in any week in April:

	1917	1916	Inc.	%
Apr. 7	$1,215,768	$1,155,486	$ 60,282	5.2
Apr. 14	1,103,119	1,024,305	78,814	7.7
Apr. 21	1,085,031	1,059,661	25,370	2.4
Apr. 30	1,481,293	1,445,853	35,440	2.4
	$4,885,211	$4,685,305	$199,906	4.2
May 7	1,135,091	1,030,768	104,323	10.1

CANADIAN NORTHERN.

For the first week in May the Canadian Northern Railway System showed gross earnings of $734,500 compared with $677,400 for the corresponding period in 1916, an increase of $57,100 or 8.5 per cent. From July 1, to May 7th, the earnings were $34,145,900, against $27,636,300 for the corresponding period last year, an increase of $6,509,600. Following are comparative figures for April and for the first week in May:

	1917	1916	Inc.	%
Apr 7	$ 736,200	$ 677,000	$ 59,200	8.8
Apr 14	881,600	668,900	212,700	21.8
Apr 21	765,000	634,300	131,300	20.8
Apr 30	932,100	844,100	88,000	10.4
	$3,315,500	$2,824,300	$491,200	17.4
May 7	734,500	677,400	57,100	8.5

CANADIAN PACIFIC.

The Canadian Pacific Railway reports gross earnings for the week ending May 7th of $3,065,000, which compares with $2,763,000 for the corresponding period in 1916, an increase of $302,000 or 10.9 per cent. Comparative figures for April and for the first week in May are as follows:

	1917	1916	Inc.	%
Apr 7	$2,830,000	$2,482,000	$348,000	14.5
Apr 14	2,833,000	2,577,000	256,000	10.0
Apr 21	2,708,000	2,343,000	365,000	15.7
Apr 30	3,665,000	3,166,000	499,000	15.8
	12,036,000	10,568,000	1,468,000	13.9
May 7	3,065,000	2,763,000	302,000	10.9

C.P.R. was one of the stocks to suffer in the mid-week decline. Early in the week it improved fractionally to 164¼, but then went down to around 157.

OTHER STOCKS

Practically the Whole List Has Been Affected by the Movement of the Week.

With a few exceptions the general stocks have suffered with the downward movement mid-week. This movement in Canada was not accompanied by any heavy liquidation. In fact, opinions of buyers and sellers seemed to change, but little in relation to the market, and price changes appeared to be almost entirely due to outside influences with New York as the main factor. In other words, it was more a case of readjustment of the values of securities to changing investment standards rather than any wide desire to liquidate so far as Canada was concerned. New York was affected by several factors, which were in evidence. In the first place, there is a growing appreciation as to the seriousness of the campaign into which the nation is entering. In the second, there is the new taxation to be contended with. And in the third, there is the great Government loan to be handled, and this has naturally led to the liquidation of general securities, and particularly these most likely to be affected by the application of the tax schedule.

ATLANTIC SUGAR.

The annual meeting of the shareholders of Atlantic Sugar Refineries, Limited, will be held Friday, June 15, at noon. A special meeting will be held five minutes before the regular gathering for the purpose of approving a by-law increasing the number of directors from eleven to fifteen.

AMES-HOLDEN-McCREADY

With reference to the report that Russian merchants were arranging to import footwear and would be glad to purchase from Canada if arrangements could be made, an official of the Ames-Holden-McCready Company stated that in his opinion that it was very unlikely that Canada would export any shoes to Russia in the near future. The Ames-Holden-McCready Company had been approached on more than one occasion and had been given the opportunity of accepting a large volume of business. The question was fully investigated, and the possibilities of profit thoroughly considered, with the result that it was finally decided that it would be inadvisable to accept the business. The company would have been glad to make sales to be paid for f.o.b. here, but the prospective purchases required the goods to be shipped to Russia with, of course, the possibility that delivery might then be refused. Owing to the great distance, and the high tariff, the cost of a $4 boot became $8 to the retailer in Moscow. Some of the Russian dealers were asking for goods, the total cost of which, when laid down in Moscow, would be equal to their entire capital. It may be, however, that eventually trade in this and other lines will be opened up with Russia. It is recognized that a great potential market for Canadian manufactures exists in that country, and some methods will no doubt be found to overcome the difficulties mentioned. The securities of the Ames-Holden-McCready Company have not appeared on the Montreal Exchange for some little time.

ASBESTOS CORPORATION.

No public interest is displayed in the securities of the Asbestos Corporation, but the company is understood to be doing an excellent business. There is a keen demand for the products of the company and the uses to which asbestos are being put are constantly on the increase. It is confidently expected that the earnings of the company for the current fiscal year will show a substantial improvement over the previous year. The asked price of the common is 18, with 10 the best bid. The last quotation for the preferred was 49.

B.C. PACKERS.

Although there has been no trading in B.C. Packers during the week, there are certain indications that the market has eased off during the past fortnight. The last price at which sales were made was 45 as compared with which small lots were quoted at 41 and 42 in Montreal this week without bids being registered.

BELL TELEPHONE.

There was a little trading in Bell Telephone this week, and the price at 140 showed the effects of the recent trend of the market developments being four points off from the last previous price recorded a couple of weeks ago.

CARRIAGE FACTORY.

The FINANCIAL POST understands that the various plants of Carriage Factories, Limited, are running to their full capacity, while the sales of automobiles are very satisfactory. The company will be able to sell all the cars that it can turn out. In fact, the problem is to make deliveries. The high cost of raw materials makes it difficult to state just how the earnings are likely to compare with those of last year, but it is hoped that there will be an improvement. There have been no sales of the stock this week, 12 being asked and 9 bid for the common. Some sales were made at 12 last week. This looks pretty low to the people who bought around 50. There have been no sales of the preferred this year.

CANADIAN SALT.

A sale of five shares of Canadian Salt the latter part of last week at 133 indicated a decline of one point from the previous. Otherwise the most recent indications of market opinion are offers at 135 and bids of 130. The drop of one point referred to is no doubt an indication of the general tendency of the investment situation.

CANADIAN RUBBER CO.

Interviewed by THE FINANCIAL POST as to the accuracy of the rumor that the Canadian Consolidated Rubber Company was about to construct a million dollar building to take care of its growing business, T. H. Reider, president of the company, stated that there was no intention of undertaking any such program at the present time. "It is quite true, however, that we have in view the consolidation of our business and the complete modernizing of our plant. We own the necessary property in the vicinity of our present plant and all being well, will, after the war is over, and building material has reached normal levels, once more, erect a new building. The cost, however, will be nothing like a million dollars, half that amount being quite ample." The new building will probably be built on the company's lots between Notre Dame and Craig streets. As to whether this would release the Ames-Holden-McCready building on Inspector street, held under lease, Mr. Ryder said that this was not an issue at the present time. The entire scheme of development was as yet but a prospect. Mr. Reider informed the FINANCIAL POST that the sales of the company's products for the first three months of the present year showed a substantial increase over the previous three months. Mr. Reider also stated that the company has decided to open a wholesale distributing warehouse in Lethbridge, Alberta, and had leased the Bowman block in that city for a term of five years. There has been no trading in the securities of the company on the Montreal Exchange recently.

CANADA BREAD

Despite the fact that this company has again increased the price of its product, an increase following close on the heels of the former increase, there was no effect noted in the sales of the product. The price of flour has reached such a pass that there is no encouragement for competition from the housekeeper. In any event, the stock of the company has not received any disagreeable jolt. There have been no sales noted to give any indication of the probable effect, yet this fact in itself seems reassuring. The last quotation on the common was 16 1/8 and on the preferred 85.

CITY DAIRY.

Sufficient interest in City Dairy securities has not developed to result in sales and there have been no transactions since early in April. Offers of 30 for the common are still posted and for the preferred 70 is being asked.

CANADA CEMENT.

The FINANCIAL POST hears on good authority that the Canada Cement Company has just received an extensive order for shells from the British Munitions Board. This run into large figures and will keep the company's shell plant busy for some time. The company's sales of cement for the month are running about 16 per cent. higher than last year. The grain is attributed to the constantly increasing demand for cement in the rural districts.

In view of the statement of General Manager Jones to the effect that the Canada Cement Company has a capacity of nearly twice Canada's present consumption, there would appear to be very little encouragement for the starting of any new cement enterprises in Canada at the present time, although two are projected. Cement common has been soft this week, although up fractionally from last week's close of 57½.

DOMINION CANNERS.

There has been some slight indication of activity on the part of this stock during the past week. Tuesday of last week showed a figure of 21 for the common, with a fair number of sales. The same figure maintained

Continued on page 5.

NEWS OF SECURITIES

Continued from page 3.

in the sales of Tuesday of this week. The last sale noted in the preferred was 75½.

GENERAL ELECTRIC.

In the face of the declining market General Electric has made a good showing during the week's trading, the low of 107 being only half a point under the low of the previous week. The volume of trading was light as it has been for some weeks. For the preferred 107 was asked and 106½ bid without sales as against last transactions early in April at 105.

RUSSELL MOTOR.

With the general readjustment in the market this week, Russell Common has suffered a further set back and at 70 showed a loss of 4 points from previous sales a fortnight ago. About the middle of April the price was 84. The preferred dropped to 101 but later rallied a couple of points to 103. There is no particular news regarding the company's affairs and the fluctuations are put down to general market influences. The company will have to pay a substantial amount under the new war taxation levy but this was naturally discounted prior to the current week.

HUDSON'S BAY.

The fiscal year of the Hudson's Bay Company ended with March 31st, and the report to be presented at the annual meeting some time in June is now in process of preparation. If the recovery in the fur and general trade which was experienced in 1915-16 was maintained during 1916-17 the total volume of business is certain to show a substantial improvement. During the year just closed the land sales totalled in value $1,665,000, as opposed to $1,170,500 in the preceding year. The acreage disposed of was 255,200, as against 79,300. In 1914-15 the fur trade showed a loss of $167,680, and the profit on general trading was only $317,035. In 1915-16, however, the fur trade brought a profit of $115,450 and the general trading a profit of $1,236,515. The outlook, no doubt, affords ground for hope, but the circumstances of the past year have been so difficult that it will not be wise to indulge too freely in optimism.

INTERNATIONAL PETROLEUM.

There was little trading in International Petroleum during the week and the prices of $13.20-$12.75 compared with $13.75-$13.25 in the previous week. The general trend of the market is no doubt having a depressing effect on this stock as the company is more or less directly affected by world developments.

LYALL CONSTRUCTION CO.

THE FINANCIAL POST hears that the P. Lyall & Sons Construction company has sufficient shell orders on hand to keep the plant busy for the next six months, while the earnings of the company at the present time are reported by those in a position to know to be in the vicinity of ten per cent. a month. The company's fiscal year closed on March 31st, but no statement of the past year's business is available yet. The annual meeting will be held on the first Tuesday in June. Only fifty shares were sold last week, the closing price being 69. There have been no transactions this week. The question of a dividend on the common has not yet been considered by the directors, but as the cost of the shell plant has been paid out of earnings, a distribution to the common shareholders is considered unlikely. The directors are more likely to conserve the resources of the company in preparation for the days when the munitions business shall have become a thing of the past.

MACDONALD.

Following the annual meeting of the A. Macdonald company there has been some activity in the common stock at 12 which showed no change from previous sales about the middle of April.

ROGERS.

Rogers common passed another week without action on the stock exchange. The asked price is 70 as compared with last sales at 65 and there are no bids registered. In the preferred a few shares changed hands at 90⅛ which shows an improvement of the fraction over the latter part of April. The new issue of preferred stock is going very well considering the general conditions prevailing in the investment marked and this is reflected in the improvement in price referred to.

STANDARD CHEMICAL.

There has been no further trading in the securities of the Standard Chemical company. For the common 14½ is being asked and 12 is being bid while for the preferred the best offer is 50 against 52 asked. Last week the common sold at 14¾ and the preferred at 49.

SAWYER-MASSEY.

Following on the heels of the public of an unfavorable financial statement for 1916. Sawyer-Massey common stock appeared on the exchanges for a small transaction at 15. This price is 5 or more points off from sales made about the middle of March at 20-24. The drop in price indicates the effect of the report and the general trend of the speculative trading.

SHERWIN-WILLIAMS.

There has been no trading in Sherwin-Williams common for some weeks and the only indication of market opinion this week was the posting of quotations of 60 asked against 57 bid; the last previous sale was at 59. There was one sale of the preferred recorded at 98 showing no change from the last price.

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Week ending May 10:

	Ask.	Bid.	High	Low	Last	Sale	Range 1917 to May 3 High	Low
Banks—								
Commerce	188	186	188	186⅛	186½	328	188	183
Dominion	207	...	207	206¾	206¾	61	212⅛	207
Hamilton	191	...	191	191	191	9	192	199
Imperial	194	...	194	194	194	15	200½	195
Merchants	169⅞	...	170	170	170	4	170	167½
Molsons	...	183	184	182	184	55	185	179½
Montreal	219	...	219	219	219	7	234	220
Nova Scotia	257	...	254½	254½	254½	12	257½	253
Ottawa	202	...	202	202	202	50	202	200
Royal	213	...	213	212	213	72	214	211
Standard	208	...	208	207⅞	208	13	215	209
Toronto	...	...	190	190	190	85	213	189
Union	...	139½	141	140	141	57	140	136
Transportation—								
Barcelona	11½	11	11	11	11	5	17	11
Brazilian Trac.	39¾	39½	40½	39	39½	2,130	47¾	37
Can. Steam., com.	38½	38	39	37	37¾	1,227	40½	29¾
Do., pref.	87	86	87⅞	85	86⅛	1,809	93¾	83½
Can. Pacific	160	...	161¼	156	157½	56	166½	149½
Detroit United	113	111	113¾	110½	110½	700	128	113
Civic Invest Pr.	79¼	78¾	79	78½	78¾	1,051	82¾	78
Dul.-Superior, com.	49	...	50	47½	47½	57	51⅛	43
Illinois Trac., pref.	...	87	87	87	87	86	89	85
Quebec Ry., L., H.	26	25½	28	26	26	1,002	35½	21
Toronto Ry.	77	75	80½	76	76	462	90½	76
Twin City, com.	88	...	90¼	85	87	418	95	90¼
Win. Electric	...	50	55	50	50	76	81	69
Telegraph, Light and Power—								
Bell Telephone	142	...	140	140	140	60	150	144
Consumers Gas	...	165	165½	165	165½	55	165¼	162½
Mackay, com.	83	82½	85¾	82½	82½	312	90	83½
Do., pref.	65½	64½	65½	65	65	146	68	65
Shaw. W. & P.	121⅞	121½	121½	121	121½	258	130½	121
Industrials—								
F. N. Burt, com.	82	...	80	80	80	75	85	78
Do., pref.	90	...	89	89	89	30	93½	89
Carriage Fac., com.	12	...	12	12	12	25	25	15
Can. Cement, com.	59⅛	58⅞	59⅞	57¼	58⅝	1,706	69⅞	56
Do., pref.	93½	92½	93½	92	92½	79	95¾	90
Can. Car, com.	28½	27	29	28	28⅛	530	46½	25¼
Do., pref.	68	66½	69½	66	67	754	89	59
Can. Cottons, com.	52½	...	52	52	52	25	56	51
Do., pref.	79	...	79	78	78½	37	82	76½
Can. Loco., com.	...	...	59½	58	58	340	64	52½
Do., pref.	...	...	94	94	94	300	91½	84
Can. Gen. El., com.	107½	106½	107¾	107	107	250	115	107½
Dom. Bridge, com.	...	...	127	127	127	5	170	130
Dom. Canners, com.	23½	22½	23	23	23	55	26	19
Do., pref.	...	...	75½	75½	75½	1	78	65
Dom. Iron, pref.	...	...	90¾	90	90¾	55	95	90
Dom. Steel Corp.	60	59¾	60½	58½	59¼	6,730	71¼	52¾
Dom. Textile, com.	86	85⅞	86½	84	86½	566	85	76½
Do., pref.	...	...	103	108	103	3	105	100
Laurentide	...	176	180	180	180	130	195	176
A. Macdon., com.	15	11½	12	12	12	50	15½	8
Maple Leaf, com.	106½	105	106¾	101	105	368	115	90
Do., pref.	94	...	94½	93¾	94	88	103	92½
Mon. Cottons, pref.	101½	...	101½	101½	101½	16	103	101½
Mon. Knit., com.	...	40	40	40	40	10	40	35
Ont. Steel Pro.	...	20	22½	20	20⅛	85	34	18
N. S. Steel, com.	93	91	94	88½	90	826	128	88
Ogilvie Flour, com.	...	...	144¾	144¼	144¼	75	145	137
Do., pref.	...	112	112	112	112	34	115	111
Pac. Burt, com.	40	38	38	38	38	20	40	28
Do., pref.	...	80	80	80	80	5	81	80
Penmans, com.	...	...	69	68	69	51	73½	69
Do., pref.	...	82	83	82	83	6	86	81½
Riordon Pulp, com.	115½	114½	115	112	115	400	127	106
W. A. Rogers, pr.	...	90	90⅛	90	90	7	92	90
Russell Motor, com.	80	...	70	70	70	15	92	70
Do., pref.	...	102	103	101	103	25	122	100
Sawyer-Mas., com.	13	...	15	15	15	10	24	19
Sher.-Williams, pr.	...	...	98	98	98	1	100	93
Sh. Wheat, com.	...	...	132	132	132	31	137¾	135
Smart-Woods, pr.	...	...	80	80	80	15	...	...
Span. R. Pulp, com.	14½	14	15	14	14	198	19	13
Do., pref.	50⅜	49⅞	50½	49½	49½	362	59¼	50¾
Steel of Can., com.	58	57½	59	56⅛	57½	2,316	71½	52
Do., pref.	93	92	93	91½	92½	156	100½	92½
Tooke Bros., pr.	...	...	75	75	75	19	79	79
Toronto Paper	88	87	88	87	87	64	89	72
Wayagamack	72	71	72½	69	70	745	95	73

DOMINION LINENS.

Profits of the Company for 1916 Show Satisfactory Increase.

Substantial progress during the year 1916 is indicated in the balance sheet of the Dominion Linens Limited. Profits for the year, after deducting cost of management, paying interest on bank loans and writing off bad debts, amounted to $31,327, a gain of $6,593 over the results of 1915. After allowing for the payment of a seven per cent. dividend on the preferred stock, which required $11,194; writing off the sum of $3,067 for deferred and other expenses and carrying $7,748 to contingent reserve, there was left the sum of $9,318 to add to the balance at credit of profit and loss. The latter item now stands at $23,227. The showing in the profit and loss account, as compared with 1916, may be thus exhibited:—

Profit and Loss.

	1915.	1916.
Profits	$24,734	$31,327
Bal. forward	4,873	13,909
	$29,607	$45,236
Dividends	8,141	11,194
Written off	1,750	3,067
Doubtful Deb. Res.	455	.....
Contingent	5,352	7,748
Balance	13,909	23,227
	$29,607	$45,236

Assets of the company have been very considerably enlarged during the year and now amount to nearly $600,000. The capital stock paid up consists of $282,850 of preferred and $200,000 common, these figures comparing with $175,000 of preferred and $125,000 of common a year ago.

Sales of the F. W. Woolworth Co. for April were $7,493,253, compared with $7,349,140 for the same month of 1916, an increase of $114.113 or 1.96 per cent. For the first four months sales were $25,978,808, compared with $23,978,808 for the same period of last year, a gain of $2,383,615 or 10.10 per cent.

AN AGREEMENT IS REACHED AT CONFERENCE

Continued from page 1

been played up to the remote corners of the Union, and it has been made easy for the United States Government to develop and adopt plans for united action without making public the details in order to secure support.

United States military and naval authorities have recognized the seriousness of the situation and have for a long time been rushing preparations with the result that they are in a much better position than is generally believed.

The cabinet and the legislature, as is the case in all democratic countries, failed to grasp the situation. They minimized the representations of their naval and military advisers. They saw no serious dangers ahead. The censored Allied news gave the impression that matters were progressing favorably. But Mr. Balfour presented the real facts; and he did it so earnestly, so frankly, so convincingly that they at once realized the extraordinary gravity of the situation. It is so grave that for several days a feeling of intense depression prevailed in inner political financial and business circles, that can be likened only to the sensations of that awful Sunday in England, when the news of our terrible defeat and retreat from Mons, was leaking out, and was magnified into a story, that our splendid little army had been annihilated.

It was frankly admitted here that the submarine campaign was becoming so successful that the Allies were facing eventual defeat. Records showed 400,000 tons one week, and perhaps there was 100,000 more not recorded. It did not take the Americans long to see that, with the Allies starved, and bled to death financially, a peace would be quickly concluded which would leave the Germans free to extract their war indemnity from the United States and Canada, where the money of the world would be. They saw that a German fleet and 500,000 men, appearing before New York, Boston and other seaboard cities, would have this continent at their command. Americans believe the German-Japanese-Mexican danger is very real; that if the Allies are defeated the Japanese may attack on the Pacific.

AMERICAN-CANADIAN RELATIONS.

The Republican leaders have given enthusiastic support to all arrangements with the British, and the action of the British in the Spanish war is now frequently mentioned. The late President MacKinley frankly admitted that, with their navy unprepared and with obselete coast defences, the Americans were placed in a very dangerous position when Germany led a concert of European navies to support Spain. The British Government told Germany if she were to attack the United States she would find the entire British navy ranged up alongside the Americans. Canada in particular has benefited from that incident. A complete change in the attitude of the United States Governments dates from that time. Shortly after the United States took steps to settle amicably all disputes between the two countries. Elihu Root, who is reported to have said that the United States had always treated Canada brutally, made the differences between the two countries his special work. Before going out of office he saw it practically completed. It may not be out of place to state here, in this connection, another and very important result of the friendship the British showed the United States in that time of great distress. It has been generally understood that Canada was the loser in the last Pacific Coast arbitration. As a matter of fact the British arbitrator, Lord Alverstone, admitted that Canada had failed to make out a case—but through the proper channels he approached the United States. The United States replied that in view of the great assistance Great Britain had rendered they would meet his wishes and gave him for Canada the coast line he asked for. I have often wondered whether Lord Alverstone had informed his Canadian colleague, Sir Allan Aylesworth, of what had gone on behind the scenes, and whether Sir Allan was playing a pre-arranged and important part for international effect.

To conclude and tune up the feeling now in Allied circles here is that the United States has come in time to save the Allies from defeat, but conditions are such that Canada and Britain must do still more; must take a more serious view of the dangers ahead. It is frankly admitted that the British censorship is at fault in not permitting the real facts to come out, and British politics has prevented the best men from filling important offices.

It is very remarkable how enthusiastic the Americans are over the Canadians. Their successes have been played up strongly. Even the pro-German papers have unintentionally created a friendly sympathy by declaring that the British always put the Canadians in the most critical places.

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C.N.R. WILL FIGHT AGAINST BOTH THE PROPOSALS

Railway Regards Smith Report Only as Lesser of Two Evils.

OVERBUILT DELIBERATELY

In Order to Develop Country—Left Big Line of Industries In Its Train—Charge of Paralleling Not Fair.

From those in close touch with the Canadian Northern Railway organization The FINANCIAL POST learns that there is at present little more disposition to accept the Smith report of partitioning up the holdings of the road, East and West, than to submit without a struggle to handing over the whole system to the Government as the Drayton-Acworth report recommends. While under the Smith plan Mackenzie and Mann would retain their position as railway magnates in a modified degree they have not given up hope of retaining intact their whole system as a transcontinental line. The Smith report is regarded as the more fair to that enterprise but as a personal evil inasmuch as it lops off the Eastern branch and leaves them without through connections of their own.

It is felt in many quarters that sharp divisions will develop at Ottawa among both political parties whichever alternative the Government decides to adopt. Already an agitation has started for the complete nationalization of the Canadian railway systems, under which the Canadian Pacific Railway would be included with the three roads now owned by the country and the Grand Trunk and C.N.R. systems. This element in Parliament and in the country at large is likely to show strong opposition to a partial scheme for public ownership, and lined up with them in opposition will be those who recognize the inevitable weaknesses that will develop under a politically controlled public ownership plan such as the Drayton-Acworth cannot but become.

"Overbuilding" For Development

Among the arguments that it is understood will be brought forward by the Canadian Northern Railway will be one that is aimed to meet the charge that is contained equally in the two reports of the Commissioners, that of an overbuilding in the West that has transcended all bounds of wisdom and safety. The charge of "overbuilding" in itself, will be admitted. "Of course we have overbuilt. We deliberately intended to overbuild. We started out with the idea of overbuilding, because it was only by overbuilding that the unsettled parts could become settled, and the unproductive, productive, and that immigration could be attracted to this country from the United States and Europe. If by overbuilding you mean building ahead of the present requirements of the country, yes, we have overbuilt. If by overbuilding you mean that we have overbuilt ahead of the immediate room for increased production, no. What is the use of a lot of acreage if it is not productive? Great Britain cannot hold a tremendous area without making that territory productive for civilization. The only way to develop the broad millions of acres of the West and to change them from the grass that grows up each season only to waste to the stuff that the settlers will send to market is to build railways that will attract these settlers, and this is to "overbuild."

1,500,000 More Settlers.

Another point that will be made to alleviate the present financial conditions to which exception is taken in the reports is in connection with the immigration problem. The war shut off the colonization of the country. This of course could not have been foreseen. If the proportion of settling of the West that had been going on previous to the war had been continued since—as it would under normal conditions—there would have been fully 1,500,000 more people producing there than there are to-day and the transportation of their produce and the passenger and freight traffic that would have resulted would have transformed the deficit of $248,000 on the C.N.R. system last year into a comfortable surplus.

Really Through Lines in B.C.

The charge of an improvident paralleling of the G.T.R. and C.N.R. lines in the West is thus met: West of Edmonton the C.N.R. was headed for the coast long before the G.T.R. came upon the horizon. Even so, there was no paralleling of the objective, the G.T.R. choosing Prince Rupert, and the C.N.R. Vancouver, some 500 miles apart. Moreover in neither case was the main object in passing through British Columbia to develop local territory but rather to reach a terminal in each case. The development of the Panama Canal for grain traffic will require both the roads as well as the C.P.R. for carrying Canada's grain to Western ports.

In Fraser River Valley.

So far as intermediate points are concerned: In British Columbia the C.N.R. and C.P.R. run fairly close together through the Fraser Valley but both are on opposite sides of an impassable stream, and develop separately immense timber resources. In the case of the C.N.R. and G.T.P. in the North Thompson River district, conditions in the Fraser Valley are duplicated.

Further East the C.N.R. has developed Northern Manitoba, Northern Saskatchewan, and Northern Alberta where a double backing of the C.P.R. would simply have duplicated development in Southern Manitoba, Southern Saskatchewan and Southern Alberta.

Private Enterprise As a Spur.

The subsidiary lines of development that have taken place in Western Canada, hand in hand, with the C.N.R. furnish an argument in favor of the superiority of private enterprise. The interests behind the MacKenzie & Mann organization, from Hutton Mines, East, have organized company after company of nearly every industrial description in the path of the advancing rails, All this was done with the object of providing traffic for the road, but resulted in a condition of local development in marked contrast to the lack of growth in the Maritime Provinces that must be set to the discredit of the Government owned Intercolonial. In other words a new country needs the spur of personal interest, or to put it bluntly the "spur of Greed" to develop its resources. It was the spur of greed that built up Toronto and Montreal.

ALL COMMISSIONERS STRONGLY OPPOSED TO THE PRINCIPLE OF PUBLIC OWNERSHIP OF ROADS

Continued from page 1

sia bought the railroads at a most opportune moment, and has been powerful enough to maintain a scale of rates unaltered over a long period of years. When it comes to railroad tariffs, no country has gone as far as Prussia in giving advantage to the shipper over the small man."

Referring to Italy, Mr. Acworth said: "It has tried State ownership and operation, private ownership and operation, State ownership and private operation, and now, for the last ten years, it has reverted to both ownership and operation by the State." The Italian Parliament, on April 22, 1905, determined to take over the railways of Italy. In the first year of nationalization the operating ratio was 73.4; in no subsequent year has it fallen below 79.5, and for the three years 1911-1913, it averaged 84.4. Each year shows a substantial advance in operating costs over the year preceding it. The figure in the first year of the period was $57,885,600; in the last it is $102,264,560, an increase of over 78 per cent.

"The final result," said he, "is that whereas in the financial year 1906-7, the railways paid over to the treasury $9,796,366 as a return on a capital of $1,091,404,045, which is, roughly, one per cent., in the last year they only returned $5,402,656 on a capital that meanwhile had risen to $1,374,975,952, which is, roughly, two-fifths of one per cent."

"Australia," said Mr. Acworth, "furnishes the most conspicuous instance of railway construction by the State, because private enterprise refused to undertake the task. Speaking broadly, the seven separate States which make up Australia have 20,000 miles of railway owned and worked by the respective governments. And it must be frankly said that public opinion is entirely in favor of the system. Having regard to the well known fact that State socialism has been carried further in Australia than in any other part of the world, this is not surprising." Ton-mile rates on the State railroads in Australia are excessive compared with other countries, said the witness. In two States they average 2.20 and 2.12 per ton-mile. The corresponding private railroad rate in Canada is only 0.75 cents and in the United States 0.73 cents.

Mixed Systems Fail

Mr. Acworth also referred to the mixed system of State and private ownership in Russia, Austria and India, and quoted an Austrian official as saying with regard to the system in that country that if the results of the management had been foreseen the Government would have hesitated longer before taking the step. In Russia the tendency had been of late years in the direction of private railroad enterprise, subsidized and closely controlled by the Government.

Referring to Holland, he stated that, while some of the most important lines were controlled by the State, the operation had always been wholly in private hands. In 1908 a motion for nationalization had been defeated in Parliament on the unfavorable report of a parliamentary committee of inquiry.

"For more than thirty years," said Mr. Acworth, "the French Government have owned and worked a system of lines in the central west of France. The financial results were very unsatisfactory, the operating ratio over a series of years ranging between 72 and 83 per cent." Moreover the service to the public was absolutely demoralized, and compensation for accidents, loss and damage rose from an average of $400,000 under company rule to $2,045,291 in 1911. The Minister of Public Works criticized the State administration as a "frightful fraud," said Mr. Acworth, and the Senate passed a resolution referring to "the deplorable situation of the State system, the insecurity and irregularity of its workings."

In 1897 Switzerland took over all the railways of the country. Immediately an increase in expenses was noted, due to higher wages and reduced working hours. In three years, after meeting operating expenses and the charges of the debt, there was an accumulated deficit of over $2,500,000. In 1900 the ton-mile rate was slightly under 3 cents a mile; in 1911 it was slightly over. At the date of the last account so far from being reduced the sum paid for the acquisition of the railways had risen $270,000.

State Ownership Opposed.

Mr. Acworth summarized his conclusions as to Government ownership of railroads as follows:

"It is impossible to obtain satisfactory results on government railways in a democratic State unless the management is cut loose from direct political control. Neither Australia nor any other country with a democratic constitution—perhaps an exception ought to be made of Switzerland—has succeeded in maintaining a permanent severance. The Australian Parliaments have loosened their hold for a few years, but only for a few years. In France, in Belgium, in Italy, Parliamentary interference has never been abandoned for a moment. Without imputing a double dose of original sin to politicians it is easy to see why this happens.

"The railways belong to the people. Parliament is the authorized representative of the people. It seems, therefore, to the ordinary citizen only right and natural that Parliament should control the management of the people's railways. And yet facts are stubborn things; and the facts show that Parliamentary interference has meant running the railways not for the benefit of the people at large, but to satisfy local and sectional or even personal interests. They show further that under Parliamentary management it is easier to get money for big schemes of new construction than for inconspicuous day to day betterments and improvements which probably would produce much greater public benefit.

"Some day perhaps, having learned wisdom by experience, a Parliament and a people may recognize that management for the people is not necessarily management by the people; that there are other branches of government besides the judicial branch unsuited for popular interference; and may establish a permanent State railway organization, with its own board of directors, with its own separate budget, and entirely independent of Parliamentary control, but controlled like any private company by a judicially-minded commission, required also like a private company to earn a dividend for its stockholders, the people. And then a main objection to government railways in a democratic State will have lost its force.

"But hitherto no Parliament and no people have recognized this fact, even though it stands out abundantly clear on the pages of railway history."

Sir Henry Drayton.

Like Mr. Acworth, Sir Henry Drayton made it abundantly clear in his address before the Canadian Club of Toronto on Thursday that he too was opposed to public ownership in principle, where a private corporation was operating a public utility in a manner to provide proper service to the public. His failure to advocate the taking over of the Canadian Pacific is an evidence of this, but he went further and declared that the existence of the C. P. R. as a private enterprise was required to provide a standard to the Government-operated enterprises.. The whole solution suggested by himself and Mr. Acworth was simply to improve transportation conditions, not to work out a theory of public ownership. "We deal with conditions and not theories," he declared, and went on to state that he was well aware that the solution proposed would not meet the approval of the advocates of public ownership.

"We have made no attempt in our report to meet the views of either section. We deal with conditions and not theories. Our report leaves the Canadian Pacific standing as it is. This naturally affords the thorough-going public ownership advocate a ground of complaint and also enables pro-corporation adherents an opportunity for attack. Let us for a moment consider what public necessity and right now insistently calls for. The most urgent necessity is better and more efficient transportation. The most pressing failures that have taken place are attributable to the Grand Trunk and to the Canadian Northern. It is common ground that both systems urgently require many more locomotives and many more freight cars.

Competition With C. P. R.

"Two objections have been made to our conclusions. The one that it is impossible for the new National System to compete with the well-established and efficient Canadian Pacific and that public ownership must under such unfair conditions fail. All I can say is that if the National Railway System cannot stand in competition with a privately-owned system, the sooner the fact is demonstrated the better. We seek to improve conditions and not to create an inefficient substitute merely for the purpose of making a change.

"The other objection equally strongly taken is that the competition of the National System would be unfair to the Canadian Pacific. Manifestly the one objection answers the other. I believe neither are well taken. The competition would be unfair to the Canadian Pacific if the National System were not run on business principles and rates were not levied having regard to the cost and value of the service, but were in part covered by the general tax levy. With the safeguards we suggest observed, no dishonest competition can or will take place."

Need C. P. R. as "Yard Stick"

He gave still another reason for not taking over the C. P. R.

"It has occurred to me," he said, "that it would be an excellent idea if we had some sort of 'yard stick' measure, like the C. P. R., to keep up the standard of the national system. We hope, of course, some day to surpass the services the C. P. R. is rendering the public, but we require the spur of competition."

C. P. R.'s Credit Required.

Referring again to the question of nationalization, he said:

"The report made by Mr. E. E. Loomis and Mr. John W. Platten, as I understand it at the instance of the Canadian Northern, points out that the Canadian Pacific has two and two-tenths times rateably the number of locomotives owned by the Canadian Northern, and has nearly two and three-tenths times rateably the number of freight cars. No such case is made out against the Canadian Pacific but again every one has conceded that that company is giving an efficient public service, and is well and efficiently organized. The Canadian Pacific stands well in the world's financial circles, and has a great borrowing power as well as liquid assets held in reserve. At a time like the present it is undoubtedly in the best interest of the country that the company's borrowing power and financial ability to increase its facilities be not impaired, and further, that any new capital that may be required for the Canadian Pacific undertaking ought not to be obtained on the credit of the country generally as might be the case should the company be taken over and its liquid reserves divided among its shareholders.

"In so far as the other systems go the conditions are reversed. Service is poor. Transportation failures have taken place, and no company funds are available to make them good. In addition to this no further capital investment would be saved by taking in the Canadian Pacific, whose service and facilities are, speaking generally, complete both in the East and West."

PRESIDENT AND TREASURER:
T. E. Good (formerly General Manager and Treasurer of the Union Stock Yards, Toronto).
GENERAL MANAGER:
Harry Talbot (formerly Head Buyer, William Davies Co., Limited).
SECRETARY:
R. H. McElroy, M.P.P.
DIRECTORS:
F. H. Carlin (General Manager, Montreal Stock Yards).
S. M. Boren (ex-President, United States National Live Stock Association).
C. R. McKeown, M.P.P.

Authorized Capital - - - - $5,000,000
Capital Already Subscribed - 2,500,000

Issue of 10,000 shares of common stock at $100 (par); 40% on allotment, 30% in 12 months; 30% in 18 months.

DIRECTORS:
J. H. Fussell (Vice-President, Fussell-McReynolds Co., Ltd.).
A. N. Lambert (Manager and Treasurer, Winnipeg Stock Yards).
A. C. Garden (Manager, National Drug Company, and Hamilton Harbor Commissioner).
Wm. G. Beamish (Manager, Meat Department, T. Eaton Co., Ltd.).
D. B. Wood (General Manager, Wood Milling Company, and formerly President Hamilton Board of Trade).
J. C. Doane (Vice-President, Winnipeg Live Stock Exchange).

50%

It is reasonable on a conservative basis of calculation—to expect net earnings of 50% per annum on the capital of this company. Even if an allowance be made for a decline in present beef prices, an unusually satisfactory dividend may safely be anticipated. The company has already assembled part of its initial herd of 10,000 breeding animals, and expects to maintain 75,000 head within four or five years. ¶The prospectus of the company will be sent upon request. ¶Applications for allotment may be made to any branch in Canada of the Royal Bank of Canada, or direct to the company.

No Bonds **No Preferred Stock**

British Cattle Supply Company, Ltd.

Union Stock Yards. City Offices: Excelsior Life Building, Toronto

THE CANADIAN COTTONS REPORT MADE RECORDS

Net Income Showed an Increase of Better Than 10 Per Cent.

BIG AVAILABLE SURPLUS

Sum of $218,248 Was Carried Forward Making a Total Available of $1,598,571—Bank Loans Reduced.

Canadian Cottons for year ending March 31st established a new high record both as regards gross sales and earnings. They reached a new high level at $5,719,224, an increase of about $180,000 over the record established in 1915-16. Total net income from manufacturing and from rentals, etc., amounted to $792,832, an increase of $76,284, or about 10½ per cent. over the previous year, which had ranked as the company's best. After providing $209,700 for bond interest, $219,690 for preferred dividends, $26,574 for business profits tax and reserving $10,000 for bad debts, there was a net balance available for the common stock of $326,868, equal to a shade over 12 per cent. on the $2,715,500 issue.

After all appropriations there was a surplus of $218,248 to carry forward to profit and loss surplus, bringing that account up to $1,598,571, an amount which represents about $60 a share on the common stock. There is now a surplus of current assets over current liabilities of $1,143,814, against $900,202 a year ago, and $564,427 two years ago, partly as a result of large inventories. The Company owed the banks $1,667,442; when business revived this was brought down to $476.301 a year ago, and now it is $377,110.

UNLISTED STOCKS.

Furnished by A. J. Pattison, Jr., & Co., Toronto, May 10:—

Quotations—	Bid.	Ask.
Abitibi Power, com	60.00	62.00
Do., pref.	88.00	.....
Arena bonds (Toronto)	.....	95.00
Atlantic Sugar, com	10.00	13.00
Do., bonds	.....	.....
Can. Furniture, pref	.....	.....
Can. Machinery 6's	70.00	80.00
Do., pref.	40.00	49.00
Canadian Marconi	1.75	3.00
Can. Mortgage	86.00	94.00
Can. Oil, com.	38.00	42.00
Do., pref.	89.00	.....
Can. Westinghouse	118.00	125.00
Continental Life	20.00	26.00
Crown Life	80.00	.....
Dom. Pwr & Trans., com.	61.00	65.00
Do., pref.	95.00	98.00
Dominion Mfg., pref.	94.00	99.00
Dom. Perm. Loan	70.00	73.00
Dunlop Tire, pref.	92.00	98.00
Frontenac Brew. 6% bd.	.....	.....
Home Bank	64.00	66.00
Internat. Mill., pref	.....	.....
Imperial Oil	375.00	415.00
Loew's Theatre, com	81.00	.....
Do., pref.	84.00	88.00
London Loan & Sav	97.00	110.00
McDonald, com.	12.00	14.00
Morrow Screw 6% bds	85.00	90.00
Peoples' Loan & Sav.	85.00	90.00
Prudential Trust	.....	80.00
Ruddy, E. L., pref	.....	.....
Stand. Re. Loan (par $50)	45.00	48.00
Steel & Radiation, com.	.....	30.00
Do., pref.	.....	68.00
Sovereign Life	.....	25.00
Trusts & Guarantee	87.00	91.00
Tough Oaks	.....	.....
Ford Motor	.....	.....
Ontario Pulp, bonds	85.00	.....
Volcano Oil	120.00	130.00
Dom. Glass, pref	.....	.....
Eastern Car, pref	.....	72.00
Do., 6% bonds	.....	.....
Russian Gov. 5½% bds.	26.00	26.00
Anglo-French, 5%	92.50	93.50
Belding, Paul, com	.....	18.00
Carter-Crume, com.	11.00	.....
Do., pref.	68.00	.....
Imperial Steel, com.	.75	1.50
Do., pref.	4.75	6.50
McDonald, pref.	.....	.....
Toronto Paper, 6% bds.	87.00	.....
Chapman Ball Bearings	30.00	40.00
Linderman Steel	4.90	5.40
Atlantic Sugar, pref.	38.00	42.00
Wabassa, com.	28.00	32.00
Northern Brick bds	30.00	37.00
Northern Crown Bank	.....	95.00
Black Lake bonds	26.00	28.00
Canada Paper, com.	.....	.....
Cockshutt Plow Co., pr.	.....	67.00
Dominion Explosives	.....	.....
Dom. Foundry, com	142.00	152.00
Do. pref.	89.00	92.00
Dominion Sugar, com	80.00	.....
Can. Tube & Iron	.....	.....
Maritime Coal & R., com.	13.00	17.50
North American pulp	5.00	5.25
Steel & Radiation, bds	.....	68.00
Trust & Guar. 20% F.	.....	.....
Crown Trust Co.	.....	95.00
Car. Factories, com	12.00	15.00
N. S. Steel 6% deb	.....	97.00
Brompton Paper	49.00	50.00
Black Lake, com	1.50	3.00
Do., pref.	4.00	5.00
Western Assur.	6.00	6.75
Sterling Coal bonds	.....	.....
Hydro-Electric Rad.	.....	.....
Dominion Life	.....	.....
Alta. Pac. Grain, pref.	.....	96.00
Independent Amusement	.....	.....
Universal Steel, com	.....	35.00
Can. Salt 6's	.....	97.00
American Nat. Gas	.....	1.10
Can. Fairbanks-M., pref.	.....	97.00
Carriage Fac., pref	.....	60.00
Can. Crocker-Wheeler, pr.	90.00	.....
Montreal Tram	34.50	36.00
Howard Smith Paper	.....	80.00
Interlake Steam. 6's	96.00	.....
Can. Rolling Mills	.....	95.00
Mutual Steamboats	96.00	.....
Matthews-Black, com.	26.00	.....
Maritime Coal Bonsd	.....	73.00
Metal Shingle, pref.	.....	65.00

ONTARIO'S ASBESTOS DEPOSIT.

Is in Elk Lake District, and Said to Be Largest in the World.

Although Canada has a monopoly of the world's supply of asbestos, the general impression is that it is practically confined to Quebec. It will, therefore, come as a surprise to a great many people to learn that the largest deposit yet discovered in the world is in Ontario. It is located in the Elk Lake District, and is owned by the Slade, Forbes Asbestos Company. Mr. Slade, who is one of the most experienced asbestos operators in the country, says that the investigations that have been conducted on the property up to date, establish beyound all doubt that the deposit is the most extensive that is known at the present time. The asbestos is of a good quality, although not running quite as high in grade as the Black Lake product.

The Forbes brothers, of the Canada Bond and Investment Company, are associated with Mr. Slade in the ownership of the property.

MARK WORKMAN TELLS OF SHIPBUILDING TROUBLES

President of Dominion Steel Says Three Years Before Material Will be Available.

Mark Workman states that Canada could not build any steel ships for three years because the steel mills could not provide the necessary plates. He confirmed the report published in the FINANCIAL POST several weeks ago that the Munitions Board had contracted for all the steel that the Dominion Iron and Steel Corpation could turn out this year. He was under the impression that the Munition Board's needs would run well into 1918. Mr. Workman also stated that there was an acute shortage of rails, but the mills could no nothing in the railroads. Years ago the railroads would have been very glad to get this business. It is asserted that the government's excess profits taxation will handicap the shipbuilding program of Canada. It is reported that one big Eastern company has abandoned its plans for a shipbuilding plant because it is felt that it will be difficult to get the necessary capital under the present conditions. The general impression is that the Government has over-stepped the mark in taxation.

The council of the Chatham board of trade have passed a resolution favoring the adoption of the scheme presented by W. W. McEachren & Sons, Limited, of Toronto, to build one hundred workingmen's houses at the west end of the city. A local company will be formed to carry out the plans of the Toronto real estate firm, in an endeavor to overcome the very serious shortage of houses in this city.

SHIPBUILDING CONCERNS SEEK SITES ON COAST

Several British Columbia Municipalities are Negotiating with Construction Companies.

So great is the shipbuilding industry on the coast that many desirable locations controlled by different municipalities are being sought out by contractors with a view to support in the establishing of an industry. South Vancouver, which fronts throughout its entire width on the Fraser River, is also looking for someone to take up a proposition of this kind within the municipal limits. The Harrison-Lamond Contracting Co. has chosen a site where it proposes to locate a plant for the construction of wooden ships. The owner of the particular property obtained a mortgage on the property from the municipality, the money being supplied from sinking funds. There are certain adjustments to be made as the interest payments are in arrears. The contracting firm also asks for exemption from taxes, free water, and other concessions, covering a term of years. If these arrangements can be arranged, the contractors will begin operations, an understanding having been made with an experienced shipbuilder to take charge of construction. In case the council of South Vancouver agrees to the proposal, it will be necessary before the first boat is turned out, that extensive dredging operations be completed in the North Arm of the Fraser River, on which the plant will be constructed.

BOUGHT WHOLE FLEET.

Franco-Canadian Steamship Company Acquires Seven Big Schooners from Portland Owner.

The Franco-Canadian Steamship Company, Limited, has purchased the entire fleet of sailing vessels owned by J. S. Winslow, of Portland, Maine. Three six-masters, the Edward B. Winslow, Edward J. Lawrence, and Addie M. Lawrence; the five-master Oakley C. Curtis, and three four-masters, the Alicia B. Crosby, Camilia May Page, and Clara E. Randall, were included in the sale. Lack of steam tonnage, has forced the company to look to sailing vessels for the movement of its cargoes. The company had two steamers under charter, but the charters expired, and renewals could not be secured. The company is engaged in the transport of foodstuffs and munitions from Halifax to France. Capt. Martin, of Montreal, and Mr. Garthwaite, of Paris, are the active heads of this company.

Provincial Fire Marshal Heaton reports that the fire in P. H. Graham & Co.'s plant at Belleville recently, caused damage which has been assessed at $185,000, on which $129,800 insurance was carried. Of this $108,000 was placed with outlaw or unregistered insurance companies. The province will collect a tax on the insurance.

Prohibition a War Measure of the Utmost Importance: Britain Must Act at Once

Continued from page 1

at large. But THE POST wants to reiterate that temperance in the army is necessary quite apart from the necessity of conserving food supplies.

* * * * *

The Canadian Military Gazette in an editorial on the liquor question agrees with THE FINANCIAL POST in regretting that the discussion in Parliament assumed a political phase and commends Hon. Mr. Lemieux for bringing the matter up as "we cannot see why the truth should be concealed." The TRUTH that is being concealed—what is it? The truth is that drinking and vice go together and between them have been taking toll of the Canadian forces with almost as much frequency as the guns of the enemy, unfitting thousands of men for service at the front and bringing them back to Canada to spread diseases here. Col. Herbert Bruce's report showed that in the Canadian forces from July, 1915, to August, 1916, the number of cases of venereal disease reported was——7,223!

Our legislators declared that wet canteens were a good feature and that the men needed alcoholic drinks. Let the answer come from our new Allies across the line. Here is what the United States plans to do to save American soldiers from the conditions that our Canadian troops meet when they reach Britain:—

Washington, May 6.—Decisive steps for the hygienic and mental welfare of the nation's soldiers and sailors have been determined upon by the Council of National Defence as a strict war measure. The council, guided by the General Medical Board, has prepared to strike at the presence of insidious diseases and at alcoholism in all military commands. Decisions were announced to-day as follows:

"That under military control an effective zone shall be created about all military commands as the most practicable and effective measure to prevent insidious diseases; that these military zones shall serve also as a means of control of alcoholic beverages to the troops. These decisions are reached by the council after exhaustive study of conditions to-day among great European armies.

"Zones about the military commands will therefore be created and conditions in these zones will be guarded by military measures, so as to prevent the spread of disease. The two military arms of the Government officially recognize that continence is compatible with health. The council also recommends as a further solution of the problem that all military commands be provided with good facilities for the recreation of the troops, and urges that all suitable athletics be encouraged.

"The use of alcoholic beverages on the part of soldiers and sailors in military commands has long been under military control. But the creation now of these military zones will in effect extend such control over the troops when they are off duty out of the commands."

Dr. Franklin H. Martin, member of the advisory commission of the council, said: "A clean, wholesome, temperate life among these troops will in the end make for our civil advancement, compared to which the cost of the war is nothing."

Members at Ottawa can be counted upon to act most promptly on questions that the voters are interested in. Let them consider what the parents of the boys at the front think of these conditions in the army camps. There are votes involved here. Let our legislators think of that—and act! Let them back up Lloyd George by telling the British Government that Canada wants the sale of liquor prohibited and the health of our boys conserved as long as the war continues.

Macey

Look For This Trade Mark

when you buy Office Filing Appliances. Give the goods which bear this mark a "MERCILESSLY THOROUGH INSPECTION" then *look again at the trade mark.* Now ask the price and you'll be convinced that

1. The "Macey" Trade Mark
2. High-Grade Workmanship and Material, and
3. Reasonable Prices

are intimately associated.

ASK YOUR FURNITURE DEALER FOR FULL PARTICULARS—OUR GUARANTEE STANDS BEHIND HIM.

CANADA FURNITURE MANUFACTURERS LIMITED

General Offices: Woodstock, Ontario

McLAUGHLIN

Save Your Gasoline

The numerous voluntary letters from McLaughlin owners in all parts of Canada furnish proof as to the economy of gasoline consumption of the McLaughlin valve-in-head motor.

A McLaughlin owner in Toronto (name on request) who owns a D-4-35 reports over 27 miles to the gallon of gasoline.

Many owners of our Model D-6-63 get 25 miles and more to the gallon.

A Maritime owner of a D-6-45 (name on request) gets over 20 miles to the gallon over hilly roads, which is 50% more than most motors of other makes developing the same horse power and twice as much as some.

The satisfactory gasoline mileage of McLaughlin motors is due to the valve-in-head principle of motor construction. This principle—right in the beginning—has been perfected during eight successive years of successful manufacturing experience.

Today the McLaughlin valve-in-head motor is unrivalled for POWER ECONOMY and EFFICIENCY.

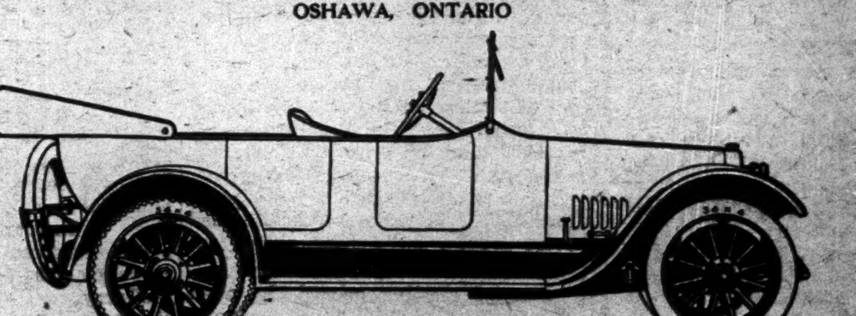
In McLaughlin Motor Cars all parts have been developed and perfected to the same high standard of efficiency and mechanical excellence as the valve-in-head motor.

BUY A McLAUGHLIN CAR AND GET MAXIMUM GASOLINE MILEAGE WITH ALL ROUND SATISFACTION AND SERVICE

Send for new Catalogue showing complete line to

The McLAUGHLIN MOTOR CAR CO., Limited

OSHAWA, ONTARIO



MODEL D-45 SPECIAL, 6 CYLINDER, 5 PASSENGER TOURING CAR.

The McLaughlin Series include 6 and 4 cylinder cars in 5 and 7 passenger Touring and Roadster types, ranging in price from $910 upward.

BRANCHES IN 12 CANADIAN CITIES FROM COAST TO COAST. DEALERS EVERYWHERE.

Canada's Standard Car

MONEY, BANKING AND EXCHANGE

Bank Clearing for the Week Show an Increase of 33.7 per cent.—New Bank Branches

For the week ending Thursday last bank clearing returns, made officially to THE FINANCIAL POST, showed a gain, as compared with the returns for the corresponding period a year ago of 33.7 per cent. Western cities showed a gain of 66.3 per cent., and Eastern cities a gain of 21.9 per cent. London was the only city to show a decline. Medicine Hat showed a gain of 99.6 per cent.; Winnipeg, 82.6; Saskatoon, 61.8; and Lethbridge, 60.3; while the other cities also showed substantial gains. For the year to date the gain was 29.9 per cent. Comparative figures follow:

WEEKLY BANK CLEARINGS.

(In comparison with same week last year.)

Eastern Cities.

	May 10, 1917.	Change.	%
Montreal	$ 95,552,082	+$ 19,033,038	24.9
Toronto	62,495,882	+ 9,107,648	17.0
Ottawa	6,843,533	+ 1,317,184	26.1
Hamilton	4,839,801	+ 1,344,056	38.5
Quebec	4,796,577	+ 775,741	19.2
Halifax	2,873,049	+ 506,987	21.4
London	2,248,950	— 82,489	3.5
St. John	2,196,626	+ 330,858	17.8
Brantford	821,798	+ 176,201	27.5
Peterboro	677,137	+ 126,376	22.9
Sherbrooke	782,949	+ 213,101	37.4
Kitchener	736,455	+ 188,409	34.9
Total, East	$184,370,840	+$ 33,037,110	21.9

Western Cities.

	May 10, 1917.	Change.	%
Winnipeg	$ 64,305,682	+$ 29,100,751	82.6
Vancouver	7,582,207	+ 1,658,977	28.0
Calgary	6,538,140	+ 2,307,228	54.9
Edmonton	2,926,162	+ 760,989	35.2
Victoria	1,769,685	+ 147,403	9.1
Regina	2,852,932	+ 961,846	50.8
Saskatoon	1,733,296	+ 661,325	61.8
Moose Jaw	1,100,828	+ 202,856	22.6
F. William	530,273	+ 65,272	14.0
Brandon	496,308	+ 24,347	5.2
Lethbridge	769,998	+ 289,808	60.3
N. Westmi'ster	273,155	+ 5,118	2.0
Medicine Hat	661,070	+ 329,789	99.6
Total, West	$ 91,539,739	+$ 36,515,709	66.3
Grand total	$275,910,579	+$ 69,552,822	33.7
Year to date	$4,290,136,643	+$989,039,550	29.9

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending May 3 aggregate $6,627,627,000, against $6,035,689,000 last week and $5,136,883,000 in this week last year, an increase of 29.2 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:—

(000's omitted)

	May 3	I. or D.	April 26
New York	$4,077,451	I 28.9	$3,662,472
Chicago	568,579	I 28.7	501,101
Philadelphia	364,081	I 38.5	333,282
Boston	258,655	I 3.6	250,835
St. Louis	127,390	I 27.6	132,787
Kansas City	137,329	I 53.0	137,533
San Francisco	96,122	I 55.2	89,376
Pittsburgh	85,888	I 21.2	82,047
Cleveland	65,569	I 71.8	59,297
Detroit	57,024	I 48.9	55,337
Baltimore	45,258	D 3.8	39,761
Cincinnati	37,969	I 13.8	36,740
Minneapolis	38,246	I 45.8	30,675
New Orleans	34,137	I 33.7	34,844
Los Angeles	33,844	I 34.0	29,467
Omaha	35,030	I 51.3	31,267
Milwaukee	26,709	I 40.5	22,592
Atlanta	24,097	I 77.3	21,006
Louisville	18,078	D .3	18,869
Richmond	24,296	I 45.2	26,074
Buffalo	17,698	D 1.4	17,211
Seattle	19,988	I 37.7	21,906
St. Paul	19,095	I 21.7	13,597

MONEY.

The call money rate in London this week has been slightly higher than last week, quotation ranging from 4¼ per cent. to 4½ per cent., as compared with 4 per cent. to 4¼ per cent., during the preceding seven days. The pressure of the flow of treasury bills is evidently making itself felt on the London money market. In New York, the rate opened at around 4 per cent. but eased off towards the close of the week to around 3 per cent. The rise both last week and this has been rather more of a sentimental than of a necessary kind, though it is the case that American bankers have been calling in loans to a certain extent in order to meet requirements of war loan financing.

EXCHANGES.

European exchanges, particularly Russians, have been under pressure this week. The upward swing in the case of both sterling and francs, which followed the United States' declaration of war on Germany, is now experiencing a reaction as the seriousness of the task before the Allies comes home more forcibly to the Americans. Roubles have been notably weak on account of the uncertain political condition in the new republic and, in spite of assurances that difficulties were being smoothed over, roubles have gone to an extremely low level.

Demand sterling opened the week at 4.75 9-16 and declined gradually to around 4.7545, at which it was quoted yesterday. Cables held unchanged at 4.76 7-16.

Francs opened at 5.71⅝ for demand and 5.70⅝ for cables and dropped to 5.73 and 5.72 for demand and cables respectively.

Roubles were quoted on Monday at 27.80 and 27.90. Yesterday there were practically no dealings in cheques, while cables were very weak at 26.00.

New York funds have been steady all week at from 15-32 to ½. Navigation is now opening up and grain is moving out but there appears to be such a cumulative buying power in the market that the rate may not go down very much after all. A softening may not occur until the proposed Canadian loan in the United States is floated.

COMMERCE.

A branch of the Canadian Bank of Commerce has been opened at the corner of York Street and By Ward Market, Ottawa, Ont., which will be known as the By Ward Market branch, and is in charge of H. A. L'Abbe.

IMPERIAL.

The Imperial Bank are opening a new branch immediately at Springwater.

LIEUT. F. T. H. Youngman of Toronto, has been reported as wounded. He was employed for four years before the outbreak of the war in the main office of the Imperial Bank, and went overseas with a Toronto battalion in October last. While in the city Lieut. Youngman lived in the bank apartments over the Bloor and Dundas branch.

"QUARTERS" IN NEWFOUNDLAND.

An Associated Press despatch from St. John's, Nfld., says:—War spirit and banking needs have combined to overcome political fears as to the possible outcome of the introduction into this colony of coinage similar to that of Canada and for the first time in fifty years twenty-five-cent pieces have been placed in circulation. Half a century ago Newfoundland declined an invitation to join the Canadian confederation, and since then colony has held aloof from inducements to become a Province of Canada.

NEW BANK BRANCHES.

The Canadian chartered banks during the month of April opened twenty-four new branches, according to reports to THE FINANCIAL POST, one being a sub-branch, and closed three branches, which makes the total number of branches in Canada as at the end of April 3, 261. The largest number of branches during the month were opened by the Imperial Bank, the amount being five, one each at Peace River, Alta., New Norway, Alta., McLean, Laird and Pilot Butte, Sask. The Merchants opened four, three in Alberta and one in Ontario; Provincial three in province of Quebec; Hochelaga three, two in Quebec and one in Saskatchewan; Montreal two, one each in Ontario and British Columbia; Royal one at Ciudad Bolivar, Venezuela; Ottawa one in Ontario; Dominion sub-branch at Seven Persons, Alta.; Toronto one at Stanmore, Alta.; Standard one at Westerham, Sask.; Union one at 49 Wall St., New York; and Nationale one in the province of Quebec. Of the three branches closed the Bank of British North America closed two, one at Boucherville, Que., and one at Varennes, Que.; and the Bank of Commerce one at Athabasca, Alta.

The number of branches now total 3.373 and are distributed as follows:

In Canada		3,261
Ontario	1,169	
Quebec	804	
Nova Scotia	114	
New Brunswick	82	
Prince Edward Island	17	
Manitoba	202	
Alberta	260	
Saskatchewan	423	
British Columbia	187	
Yukon	3	
In Newfoundland		27
Elsewhere		85
Total		3,373

The following table indicates the monthly changes for the past three years and for the first four months of the present year:—

	*Op.	Cl.	Op.	Cl.	Op.	Cl.	Op.	Cl.
Jan.	19	6	16	14	6	9	16	6
Feb.	19	2	10	12	12	9	18	6
March	19	4	11	12	23	10	25	5
April	24	3	3	9	10	7	20	9
May	..	..	16	8	19	13	51	13
June	..	..	9	9	28	18	33	11
July	..	..	13	3	9	6	11	2
Aug.	..	..	10	5	9	6	13	8
Sept.	..	..	6	6	23	11	10	9
Oct.	..	..	30	11	6	7	15	11
Nov.	..	..	24	23	10	14	5	16
Dec.	..	..	13	3	15	24	20	23
Total	81	15	161	114	169	134	237	119

*Op.—Opened. Cl.—Closed.

LOANS TO FARMERS.

Banks to Give Aid to Those Who Need Seed Grain.

No farmer in Ontario need go without seed this year, for the sum of $200 will be available at the nearest bank for each one of them who desires to increase his acreage and needs the money to buy seed. The arrangements, as made by Hon. T. W. McGarry, Provincial Treasurer, through the Organization of Resources Committee, with the Bankers' Association, for such loans to Ontario farmers' provides also that the loans will be repayable with interest at 6 per cent, on November 1, after the farmer has sold his crop, or in case the crop fails and the farmer is unable to repay the money, the Ontario Government has agreed to make it good.

Details of how 175,000 farmers in the Province of Ontario may collectively borrow $35,000,000, if all take advantage of the offer, were recently outlined by Dr. A. H. Abbott and J. J. Gibbons, of the Provincial Resources Committee, when other important matters relating to the campaign for increased production of foodstuffs were also discussed.

Want Big Harvest.

The executive of the committee has been meeting almost daily for the past six weeks, and has succeeded in establishing in every community in the province a Committee for Food Production. These various committees have provided a very large amount of labor for the farms, and the reports indicate that while a number of men have been supplied for the season, a very large number of men have offered themselves for the harvest. It is the unanimous feeling of the committee that there will be no difficulty in handling the harvest, no matter how large the crop may be.

In addition to providing a considerable quantity of labor to meet the pressing demands of the farming communities, arrangements have also been made for providing seed, and it appears that in no instance has any request for potatoes in carload lots not been met. Provision is being made for a supply of the other seeds that may be sown up to the 1st of July.

Terms of the Loan.

While labor and seed are essentials in connection with the greater production campaign, the committee have also arranged with the Bankers' Association to secure a larger amount of credit for farmers. The sum of $200 will be available for every farmer who desires to increase his acreage, upon the distinct understanding that he plants it in seed, so that no farmer in the province need go without seed this year. This will not apply to those farmers who have already obtained loans for seed purposes from the Loan Committee for Northern Ontario.

The food shortage which the world is facing at the present time cannot be met in one season, and it will be at least three years before conditions will be at all normal. The work of the committee is, therefore, being planned along large and permanent lines. Looking to the future, great attention is being given to the experiments being made with farm plow tractors, and upon these experiments proving successful, it is expected that there will be a large number of these secured so that every possible acre will be under cultivation by the fall of this year.

THE BANK RATE.

Recent Reduction Was Not Unexpected in London.

The recent reduction in the Bank rate, though not wholly unforeseen, occurred somewhat earlier than expected, according to the *Financier* of London. It was generally agreed that the entry of the United States into the war removed the last obstacle to a reduction of money rates in London, but it was believed that no change would be made until Congress had formally ratified President Wilson's recommendation to declare a state of war with Germany. It is interesting to recall now that, though there have been five changes in the Bank rate since the outbreak of war, the official minimum has been 5 per cent. for by far the greater part of the period. The changes which have occurred since the international crisis of July, 1914, are as follow:—

July 30th, 1914, advanced from 3 to 4 per cent.

July 31st, 1914, advanced from 4 to 8 per cent.

August 1st, 1914, advanced from 8 to 10 per cent.

August 6th, 1914, reduced from 10 to 6 per cent.

August 8th, 1914, reduced from 6 to 5 per cent.

July 12th, 1916, advanced from 5 to 6 per cent.

January 18th, 1917, reduced from 6 to 5½ per cent.

April 5th, 1917, reduced from 5½ to 5 per cent.

It was widely felt that a mistake was made in raising the rate in July last from 5 to 6 per cent. on the strength of a very brief money flurry in New York, and that another error was committed in not putting it back to 5 per cent. early in January last, in preparation for the flotation of the war loan. Not for the first time, however, the directors took the traditional two bites at the cherry. Now what may be regarded as a normal rate is restored, and the result should be beneficial to the holders of gilt-edged stocks, including the war loans, and helpful to the Government in its borrowings on the colossal scale necessitated by the war. It is interesting to note that the joint stock banks have not followed the Bank's lead with regard to deposit rates, which remain at the old level.

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THE ROYAL BANK OF CANADA
INCORPORATED 1869
Capital Authorized - - - $ 25,000,000
Capital Paid Up - - 12,911,700
Reserve and Undivided Profits, 14,324,000
Total Assets - - - - 287,000,000
HEAD OFFICE, MONTREAL.
360 Branches in Canada and Newfoundland.
Thirty-six Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela
BRITISH WEST INDIES
ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain and San Fernando; BRITISH HONDURAS—Belize, BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne).
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NEW YORK CITY Cor. William and Cedar Sts.
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WILLIAM HARVEY, B.L., Vice-President and Managing Director.
W. E. LUGSDIN, Secretary-Treasurer.
Authorized Capital .... $ 1,000,000.00
Subscribed and Fully Paid 750,000.00
Reserve and Surplus 500,000.00
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By appointing this Company your Trustee and Executor or Financial Agent, you ensure expert and continuous service, and safeguard your Estate against mismanagement and loss.
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The most important document a person of large or small means is called on to prepare is his
LAST WILL AND TESTAMENT
It means the happiness and welfare of those most dear.
Ask for booklet: "Make Your Will."
CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
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Acts as Executor, Administrator, Trustee, Guardian.
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Cyrus A. Birge, President S. C. Macdonald, Manager

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Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.
THE EMPIRE LOAN COMPANY, Winnipeg, Man.

MODERN BUSINESS DEMANDS
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Why buy Wood Furniture?
STEEL does not stick or warp—Wood does.
STEEL saves space, therefore costs less.
STEEL will not burn—Wood will.
STEEL is modern—Wood old-fashioned.
Therefore, Buy Steel Equipment.
Cuts out the fire risk, saves space, reduces expense.
THE STEEL EQUIPMENT COMPANY, LIMITED
UNION BANK BUILDING OTTAWA
Factory at Pembroke
Ask for our thirty-two page catalogue.

DISALLOWANCE OF LEGISLATION NOW REFUSED

Electrical Development Co. is Now Referred Back to Courts.

THREE ATTEMPTS FUTILE

Efforts to Bring the Province to Justice in Regard to Agreements Made with Power Company Thrice Defeated.

It has been reported from Ottawa that disallowance of two Acts of the Ontario Legislature of 1916 respecting the public development of water power in the vicinity of Niagara Falls has been refused by the Dominion Government, on the recommendation of the Minister of Justice. The petition was presented by the Electrical Development Company, which claims a covenant in its agreement and franchise, whereby the Government was prevented from taking water from the Niagara River for the Chippewa power scheme, to have it declared that the Legislature had no power, in view of this agreement, to pass the Acts referred to; the company also claimed that the breach of the agreement was a direct act of confiscation unjustly destroying vested rights, and that it was against the best interest of the Dominion of Canada as a whole.

The full text of the opinion of the Minister of Justice has not been published, but from the extract appearing in the daily press, the Minister has taken the ground that the Dominion Government cannot try the merits of the dispute between the parties on a petition for disallowance, and that the Electrical Development Company must seek its remedy in the courts.

It will be remembered that in August, 1916, the Electrical Development Company did appeal to the courts and issued a writ of summons against the Hydro-Electric Commission and the Attorney-General of Ontario, attacking the legislation. A fiat was applied for to the Attorney-General of the province, who refused it and ordered the case out of court, stating that the proper remedy, if there was any at all, should be by an application to the Dominion Government for disallowance. The writ was subsequently issued and set aside by a judge and afterwards by the Court of Appeal on the ground that no fiat had been obtained.

The result is that the company has made three attempts, all futile: The first, to the Attorney-General of the province for a fiat; the second, the issue of a writ in the High Court of Justice as an appeal to the courts; and the third, a petition for disallowance.

An Action by the Province.

It is announced that on behalf of the King and Commissioners of the Queen Victoria Niagara Falls Park, the Attorney-General of Ontario has issued a writ at Osgoode Hall against the Electrical Development Company of Ontario, for $223,665.

The claim is, "Under an agreement in writing between the Commissioners of the Queen Victoria Niagara Falls Park, and William Mackenzie, Henry Mill Pellatt, and Frederick Nichols, dated January 29, 1903, the benefits whereof were assigned and the obligations whereof were accepted by the defendants under an agreement of March, 1903, the agreement being declared to be valid and binding by Chapter 12, Ontario Statutes, 1905."

Damages are also claimed for "value of power developed by the defendants in excess of the amount which the defendants were licensed to develop under the said agreement."

BRITISH TRADE RETURNS.

Increase Continues Despite the Submarine Menace.

The British Board of Trade returns were late in making their appearance last month. The delay was due to a decision to omit details of the quantities of wheat, barley, oats, and rice imported into the country, involving a rearrangement of the statistics at the last moment. There was no other reason for holding back, and it may be stated at once that the deletion of the items mentioned had not the slightest relation to the so-called German blockade.

Compared with the month of January, which, it is necessary to remember, contained an additional three days, the imports for February, the first month of unrestricted submarine frightfulness, showed a reduction of £20,017,000, but as in spite of this the value of the goods which reached these shores was £70,948,000, and the total was moderately larger than for the years 1916 and 1915, there is certainly no present cause for taking alarm; even allowing that values being considerably higher the quantities involved were smaller than in either of the two previous years.

Another circumstance to be taken into account is the considerable restrictions on imports which came into force during February, and while these probably were not an important influence in that period, since they only commenced to operate towards its close, they will be an important factor in future returns.

For the first two months of the current year imports had a value of £161,472,483, in contrast with £142,271,000 in 1916 and £132,447,000 in 1915, figures which do not call for comment except from the standpoint of the economist and others who for long past have urged the necessity of a diminution of the nation's purchases abroad to the extent that they have consisted of various forms of luxury. The outward movement of goods also showed a fairly considerable decline in February, about equal proportionately to the falling off in imports. Including the re-export of foreign and colonial merchandise the exports had a value of £46,279,000, in contrast with £55,292,000 in January, a decline of £9,013,000, but in February, 1916, the total was £44,866,000, and in 1915 it was £32,987,000, so that on this side of the account there is certainly no reason for despondency. For the first two months of the year exports have reached a value of £101,571,000, which compares with £90,452,000 in the same period of 1916 and £68,130,000 in 1915.

PLAN TO WIND UP THE CARTER-CRUME CO.

Directors Announce Distribution of Stock Holdings in American Sales Book Co.

The Carter-Crume Company, which since it sold its assets and its business to the American Sales Book Company organized in June 1911, has been a holding company owning a majority interest in the new concern, will be wound up by a distribution of assets among shareholders according to a plan outlined in the annual report for 1916. The American Sales Book Company embraces, in addition to the Carter-Crume concern, the Eastern Sales Book Company, and the American Sales Book Company of Elmira. The Carter-Crume Company holds 15,903 preference and the same amount of common shares in the amalgamation; there are outstanding 3,733 preference and the same number of common shares. The par value of the common shares is $20.

The very successful year of the American Sales Book Company was reviewed in these columns some time ago when the annual report was presented to the shareholders. Attention may be called to the interesting fact, however, that the profits of the company then reported were double the average profits made by the three constituent companies during the last four years in which they operated separately. This would mean that an increase of profits of 100 per cent. had been effected through the amalgamation since 1911. The American Sales Book Company is the largest sales book company in the world and has over 100,000 customers in the United States where its operations are carried on exclusively.

Under the plan recommended by the Carter-Crume directors owners of each preference share will receive $7 in cash being one year's accrued dividend, one share of 7 per cent. cumulative preference stock of American Sales Book carrying accumulated dividends of 12¼ per cent., and one share of common stock of the same company of the par value of $20. The owner of each share of common stock will receive a one-fifth share of preference stock and four-fifths of a share of common stock of the new company.

Under this scheme there will be distributed to the shareholders 11,777 preference shares and 14,639 common shares of the American Sales-book Company out of the total holdings of 15,903 each of preference and common shares. The balance of the holdings, together with the sundry remaining assets, will be sold and the proceeds used to pay off the company's liabilities. The residue, if any, will be distributed to the holders of the preference shares of the Carter-Crume Company. It is proposed that the balance referred to of 4,126 preference shares of the new company will be offered to the shareholders at an attractive price.

Early this year the American Sales Book Company resumed payments on its preference stock which is now on a 7 per cent. basis. The Carter-Crume company paid 2 per cent. on its common stock in 1912 but none since. In 1912 the common stock sold as high as $49 on the Toronto Stock Exchange. The preferred dividend was passed for the quarter beginning July 1, 1914, and the American Sales Book preferred at the beginning of 1915.

IMPROVEMENT IN THE LUMBER INDUSTRY OF B.C.

Many Sawmills Are Now in Active Operation.

NEW MILLS BEING BUILT

Shipbuilding and Other Activities With Reviving Export Demand, Are Having Effect Upon Business

The resumption of operations in many of the sawmills of the province and the building of new saw and shingle mills, would indicate improving conditions in the province of British Columbia. Several of the large mills of the province which have been lying idle, have been taken over by capitalists and are either in operation or in process of betterments which will enable the mills to start almost at once. As stated already in THE POST, the mill of the Canadian Pacific Lumber Co., at Port Moody, has been taken over by the Reynolds Timber, Shipping and Insurance Agency, of Toronto.

The Canadian Western Lumber Co., of Fraser Mills, is operating double shifts, their local business being exceptionally good. Their prairie orders, it is estimated, will aggregate some 5,000 cars. The mill situation is hampered now mainly by the shortage of labor owing to the number of men who have left the province in the forestry service. The output of the camps last year was 1,130,024,604, which was 64 per cent. greater than the output of 1915, and more than double that of 1914. For the months of January and February of this year the cut of logs throughout the province amounted to 123,835,350 feet, as compared with 66,170,936 feet for the same period of last year. Even with the scarcity of labor, lumber authorities are predicting for the year an increase over last year's record figure of $35,528,000.

FAMINE MAY BECOME A SERIOUS MENACE

The Great Problem of Production Which Must be Faced by Canada.

By R. J. C. Stead.

To suggest that the world may emerge from war only to find itself plunged into famine may seem like playing upon the public nerves at a time when they are already overstrung. So many apparently impossible things have occurred within the last three years that the mind is now prepared to accept almost any disaster as within the range of possibility. To the well-informed reader of 1917 a world famine seems no less impossible than did a world war three or four years ago. Indeed, the indications which point to the possibility of famine have not even the soothing quality of sentiment which said, "The modern world is much too sane to fight." Sanity, properly distributed over the great nations, might have saved the world from war, but no degree of sanity can save it from starvation if it continues to produce less food than it consumes.

The question may be asked, "Why should war bring about a food shortage? The millions of men now in the army were previously fed, doubtlessly quite well, in civil life. The tremendous loss of life means a proportionate decrease in food consumption. All countries are encouraging food production on a scale and of an intensity never before attempted, and the high prices offered for the products of the farm are a powerful economic incentive towards meeting any shortage that may exist. The answer is found in these same high prices. After making allowance for the effects of speculation, the price of food products must surely indicate the growing scarcity. Take the figures prevailing in Western Canada, for example. Here is a great food producing country which never fails to have a surplus for world consumption; a country in which famine is impossible, because it produces more than it eat. The average price of wheat in Western Canada (Fort William basis) for four years previous to the outbreak of war was 93 cents. At this writing it is $2.08. Oats, used principally as food for livestock, have advanced from 37 cents to 68 cents, and and other cereals in proportion. Even in this prairie country, which produces more than its requirements, potatoes are now selling at $60 a ton. And look at the prices of livestock, clipped from a market report early in april:—

	Calgary	Winnipeg	Montreal	Chicago
Hogs	$14.75	$14.85	$16.85	$16.00
Cattle	9.90	10.15	12.00	13.15
Sheep	10.75	11.50	15.00	15.50

Milch cows, offered for sale at farmer's auctions, bring prices as high as were commanded by horses a few years ago, and a brood sow registers a market value greater than a milch cow of the last decade. These prices may not mean famine, but they can be interpreted only as shadowing the spectre of universal food shortage.

But, to return to the original question, why should there be a food shortage? Let us drop theories—which, in case of hunger, has no filling qualities—and consult facts. The United States produced in 1916 640,000,000 bushels of wheat, which is 385,000,000 *less* than the crop of 1915, and 250,000,000 less than the crop of 1914. If a wheat eating country consumes 6½ bushels of wheat per head of population per year, it is apparent that the United States with its hundred million people will eat more wheat than it grew in 1916—if the wheat can be had. France faces a deficit for 1917 of 127,000,000 bushels, and the aggregate deficit of Entente Allies and European neutrals is estimated at more than 200,000,000 bushels.

Then there is the shortage in Germany, Austria-Hungary, Bulgaria and Turkey, of which definite information is not available, but which is known to be very acute. In the opinion of well informed persons, Germany's surplus stocks of grain will be exhausted during the present summer. Russian reserves, also, are an uncertain quantity. Although Russia is an enormous producer of wheat, the millions of men engaged in her military service, and the millions more in transportation, munition work and other branches of labor connected with the war, must have materially reduced the acreage of wheat.

Another point of great importance, applying particularly to the older lands, is the fact that under war conditions it is practically impossible to secure artificial fertilizer, and without fertilizer old and exhausted lands are practically non-productive.

Then there is the destruction of food which inevitably accompanies war. When an army is obliged to vacate a territory, it is considered good policy to destroy all food which cannot be removed, rather than allow it to fall into the hands of the enemy. How much food has been destroyed in this way in Poland, Russia, Hungary, Rumania and Serbia can only be conjectured. In addition to this, Germany has been sending to the bottom of the sea hundreds of thousands of tons of food—and glorying in the accomplishment. It would be poetic justice if Germany herself should yet starve for lack of the food which she has so ruthlessly destroyed.

Sufficient aspects of the food situation have been presented to convince the reader that, whether or not a world famine may be threatening, the greatest obligation and the greatest opportunity which rests upon the public to-day, next to winning the war, is to produce food. To the people of great food-producing countries such as Canada and the United States, the appeal comes with particular force, and, entirely aside from the patriotic duty, lies the fact that food production at the present time is immensely profitable. Not all the sudden wealth arising out of the war has been for munition-makers and contractors. Two dollar wheat and fifteen cent live hogs mean wealth on the farm as well as in the factory.

It will be one of the tragedies of all time if, with modern methods of transportation, famine should threaten the world. The world has not nearly reached its capacity for production. The unoccupied areas of Western Canada alone would turn the scale. In the single province of Alberta there are 100,000,000 acres of agricultural land which have not yet felt a plow. This land, under cultivation, would raise three times as much wheat as was grown last year in the whole of the United States. It is lying idle for lack of population to make it productive. Meanwhile the spectre of famine stalks over Europe.

WILL BUILD WOODEN SHIPS.

Louis N. Fuller Organizes Tusket Shipbuilding Co.

Still another shipbuilding company has been organized in Nova Scotia. The new venture is called the Tusket Shipbuilding Company, Ltd. A number of the old yards at Tusket have been acquired, and it is expected to acquire yards at other points. Louis N. Fuller, of Halifax, is at the head of the enterprise, which is capitalized at $75,000. The company will engage in the manufacture of wooden ships. Mr. Fuller organized the Logan Tanneries, the Eastern Steel Company, and the Truro Steel Company.

The population of the seventh ward of Toronto, formerly the town of West Toronto, has increased from 25,751 to 28,267 during the past year, according to the recently completed assessment report. If the same increases prevail in all the other wards of the city, there will be a total increase of 46,052, and the city's population would exceed half a million. The assessment has increased from $23,022,480 to $23,610,810.

The A. Macdonald Company Limited

Wholesale Grocers

Fourth Annual Financial Statement and Directors' Report

HEAD OFFICE: WINNIPEG, MANITOBA.

BRANCHES: Port Arthur in Ontario; Moose Jaw, Saskatoon, Regina, Yorkton, Battleford and North Battleford in Saskatchewan; Lethbridge and Edmonton in Alberta.

CAPITAL.

	Authorized	Issued
Preferred 7% Cumulative Shares	$3,000,000.00	$1,766,800.00
Ordinary Shares	$4,000,000.00	$3,000,000.00

Directors: W. P. Riley, Winnipeg; W. H. McWilliams, Winnipeg; H. W. Hutchinson, Winnipeg; Andrew Kelly, Winnipeg; A. Badenoch, Winnipeg.

Officers: W. P. Riley, President and General Manager; H. C. Cowdry, Secretary-Treasurer.

Bankers: The Dominion Bank; The Royal Bank of Canada.

REPORT TO SHAREHOLDERS.

In presenting to you the Fourth Annual Statement showing the Assets and Liabilities of your Company for the year ended 31st December, 1916, your Directors beg to report:—

That the profits for the year, after deducting all operating charges, interest on Bank Loans and Mortgage Notes, making provision for bad and doubtful debts, and writing off $11,111.02 for depreciation on motor trucks and fixtures, etc., were $219,015.28 (exceeding by $64,474.83 the profits of the previous year) from which amount was deducted $92,168.00 for depreciation on Real Estate of this Company and other property at Port Arthur, the latter representing part of your Company's investments in The Riley-Ramsey Company, Limited, leaving $126,847.28 net, as shown in balance sheet, which amount has been disposed of as follows:—

$53,004.00 has been added to "Special Reserve Account," as provided for in By-law No. 10, thereby increasing that reserve to $199,177.50.

$21,538.36 has been credited to "Deferred Charges Account" and organization expenses, leaving a balance of $13,461.64, for which provision has still to be made.

$47,304.92 has been added to the reserve against the Dominion Bond Company debt, thereby making that reserve equal to the debt of $172,304.92.

$5,000.00 has been used to write off a like book value of shares held by the Company in a fruit canning company.

The claim against the Dominion Bond Company, Limited, in liquidation was reduced during the year by $12,074.28 realized from sale of securities held by your Company. Some additional security is still held, but is not considered to be of any immediate realizable value, neither is it expected that any dividend will be received by the ordinary creditors from the liquidator of the Dominion Bond Company, Limited. The reserve now carried against the account will be applied to offset it, and it will in future disappear from the assets of your Company. Ample provision has been made for all bad and doubtful accounts receivable, and in the judgment of your Directors, the figures in the balance sheet pertaining to the assets shown therein correctly indicate the realizable values thereof, with the exception of the balance of $13,461.64 of Deferred Charges, and Real Estate, which was appreciated by the promotors of your Company immediately following the purchase of the business from the former owner by $211,254.29, and for that reason the $92,168.00 of 1916 earnings were applied against Real Estate in order to bring the book values more in alignment with the correct values of the Company's property.

All mortgage indebtedness has been retired, the Bank Loans, however, show considerable increase, which is more than offset by a corresponding increase in merchandise inventory. In view of the difficulties experienced last fall in obtaining some staple lines in sufficient quantities to ensure adequate and prompt service to customers, considering, too, transportation difficulties and advancing markets, your Directors decided to protect the Company's trade by purchasing at the then prevailing prices, and from sources available in Canada or elsewhere additional stock sufficient to make possible prompt shipments until another season's supply would be available. This additional stock was paid for in cash, which accounts for the increased borrowings, but with a reduction in the amount of merchandise carried the borrowings will be correspondingly reduced.

The Current and Working Assets show an increase of $732,517.28, and the liabilities an increase of $533,145.67, both of which are of a temporary character, the Company's position from a liquid standpoint being improved by the difference of approximately $200,000.

In June last year your Kenora branch was closed because of insufficient business to justify its longer maintenance, the property and building being sold at an advantageous price, and in November, a new branch was opened at Regina in rented premises, where better results are being shown.

Your Directors, in their report of May 2nd, 1916, recommended that authority be obtained for a reduction in the unwieldy amount of $3,000,000, representing the "Good Will" of the business, and a corresponding reduction in the common shares representing that Good Will. It was the intention of your Directors to submit to each Shareholder full details for their consideration, and if the Shareholders, after considering the proposed plan of readjustment, thought the scheme feasible and equitable to all interests concerned, further action would have been taken, but opposition developed from some shareholders who apparently misinterpreted your Directors' motives. Your Directors, however, having made the recommendation in the best of faith, have not since changed their opinion as to the wisdom of some adjustment being made in the amount of Good Will account that would prove satisfactory to shareholders of common and preferred stock. Any further action should emanate from the shareholders.

Deferred dividends on Preferred Shares from December, 1913, until December, 1916, at $21.00 per share, amounting to $371,028.00, have accumulated, but with such large bank obligations to provide for, it would be unwise to consider dividend disbursements at this time. Your Directors are hopeful that during the year it may be possible to resume disbursements on account of dividends, but any action in respect thereto will depend largely upon the trade for the first six months of 1917, and the amount of bank loans.

Trade prospects are encouraging and 1917 should produce excellent results for the shareholders.

The affairs of the Company are under capable management, with close supervision and co-operation on the part of your Directors.

Submitted on behalf of the Directors,

W. P. RILEY,
President.

Winnipeg, Man., May 1st, 1917.

The following Directors were re-elected for the ensuing year: W. P. Riley, President; W. H. McWilliams, Vice-President; H. W. Hutchinson, Andrew Kelly and A. Badenoch. H. C. Cowdry was also reappointed Secretary-Treasurer.

Balance Sheet as of December 31, 1916

ASSETS.

	As at December 31st 1916	1915	Increase *Decrease
Warehouse Properties—			
Winnipeg and Branches at Appraisal Company's valuations as of December, 1912, and additions to date, less depreciation	$ 675,503.27	$ 752,901.49	*$ 77,398.22
Plant and Equipment—			
Including Office Furniture, Motor Trucks and Delivery Equipment (less depreciation)	65,137.39	68,614.92	*3,477.53
Investments—			
Outside Real Estate and Buildings	10,000.00	16,000.00	*6,000.00
Shares in Other Corporations and Advances to Subsidiary Company	224,363.81	221,378.35	2,958.46
	$ 975,004.47	$1,058,894.76	*$ 83,890.29
Current and Working Assets—			
Merchandise	1,517,029.83	786,391.02	730,638.81
Accounts Receivable (Customers)	952,450.36	1,033,553.24	*81,102.88
Sundry Debtors, including advances on Merchandise	72,246.93	30,030.52	42,216.41
Cash on Hand and in Banks	103,487.23	62,722.29	40,764.94
	$2,645,214.35	$1,912,697.07	$732,517.28
Other Assets—			
Dominion Bond Co., in liquidation (see reserve)	172,304.92	184,379.20	*12,074.28
Prepaid Insurance, Interest, and Stationery on hand	15,241.24	9,533.22	5,708.02
Deferred Charges re organization	35,000.00	65,809.03	*30,809.03
	$ 222,546.16	$ 259,721.45	*$ 37,175.29
Good Will and Trade Marks	3,111,722.26	3,111,722.26	
Grand Total Assets	$6,954,487.24	$6,343,035.54	$611,451.70

LIABILITIES.

	1916	1915	Increase *Decrease
Mortgage Indebtedness—			
Including Accrued Interest		$ 202,005.48	*$202,005.48
Bank Loans—			
Secured	$1,503,500.00	789,500.00	714,000.00
Trade Liabilities—			
Notes and Accounts Payable to Trade Creditors	283,171.26	262,020.11	21,151.15
	$1,786,671.26	$1,253,525.59	$533,145.67
Special Reserve—			
As provided for in By-law No. 10	$ 146,173.50	$ 93,169.50	$ 53,004.00
Reserve—			
Re Dominion Bond Co., in liquidation	125,000.00	75,000.00	50,000.00
Merchandise Reserve (for adjustments)	2,995.20		2,995.20
Surplus—			
Profit and Loss Credit	126,847.28	154,540.45	*27,693.17
	$ 401,015.98	$ 322,709.95	$ 78,306.03
Capital Stock—			
Preferred	1,766,800.00	1,766,800.00	
Common	3,000,000.00	3,000,000.00	
(Dividend on Preferred Shares have been paid to December 31st, 1913.)			
Grand Total Liabilities	$6,954,487.24	$6,343,035.54	$611,451.70

Contingent Liabilities—	
Under Guarantee	$48,000.00
Sight bills under discount	10,211.92

*The figures with (*) indicate decrease.

To the Shareholders,

The A. Macdonald Company, Limited.

We have audited the accompanying Balance Sheet as at December 31st, 1916, with the books and accounts of the Company. We have obtained all the information and explanations that we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company, as at December 31st, 1916, and as shown by the books.

Winnipeg, Man., February 13th, 1917.

Chartered Accountants.

(Signed) MARWICK, MITCHELL, PEAT & CO.,

The Winnipeg Real Estate Exchange and the Building Owners' and Managers' Association of Winnipeg have passed a resolution declaring that the present system of municipal taxation is both unjust and oppressive, and should be made the subject of a thorough investigation with a view to the more equitable distribution of the burden of taxation.

THE FINANCIAL POST OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - H. T. HUNTER
Manager - - - - - - - - - R. G. DINGMAN

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TORONTO, MAY 12, 1917.

THE RAILWAY ISSUE.

WHETHER the Drayton-Acworth report on the Canadian railway situation recommends government ownership as a matter of expediency or as a matter of policy is not important. Sir Henry Drayton in his address before the Canadian Club has only served to muddle public opinion on the point when he had already clearly defined his attitude and his convictions in the majority report of the Royal commission. The fact remains that the recommendation, if carried out, will create opportunity for evils of public ownership and state administration under political control.

As THE POST has previously stated, it stands for private ownership and operation with intelligent state control as offering the most efficient and least costly service to the public. This attitude is reached from a study of the fundamental principles of both forms of service, even apart from the question of that political interference which prevents the best being obtained from public servants.

A study of practically all successful enterprises reveals the working of those factors of incentive and reward which are responsible for individual effort and which are entirely lacking where the state or municipality is in control. In the really big businesses will be found the handiwork of one or a few individuals who through a life-time of devotion to one task have wrought success; they have learned to overcome difficulties by encountering them with a spirit born of the knowledge that failure meant ruin. In the big virile concerns men take their positions by merit and hold them by ability. The failures are quickly supplanted. Where appointments are made by favoritism or by political influence or even by merit under the public ownership conditions a salary alone does not provide incentive to the best efforts particularly if such appointments are not terminated by failure.

All three of the members of the Royal Commission are on record as being opposed to public ownership when there is likely to be political interference. The majority report endeavors to overcome the acknowledged evils by the appointment of a commission which, by its constitution, overcomes few, if any of them. At least the proposal would eliminate that opportunity for individual effort which history has proven so necessary in the upbuilding of new enterprises, particularly in a young and developing country where changing conditions and unforeseen difficulties can only be overcome by great executive courage and the incentive of success or failure.

A HINT TO SIR ROBERT BORDEN.

HON. WALTER LONG, Colonial Secretary, speaking recently, confessed that one of its bitter lessons was that if we had only realized the vast possibilities of the Empire in the days before the war our position to-day would be much stronger than it is at present. Moreover, he said, the duration of the war would be materially shortened. All our resources should be available for the needs of the Empire. **It was now realized, he added, that in addition to ships and soldiers, the Empire wanted a great mercantile marine. The Empire should be regarded as a business concern and not left solely in the hands of politicians.**

This is exactly what THE FINANCIAL POST has been saying since the war broke out. It is simple business common sense as recognized not only by our big industrial leaders but equally by the smaller merchants and manufacturers in the remote country districts of Canada. It has been partially recognized by the United States Government because they have formed a Defence Committee of some of the great business leaders of the nation.

The Canadian Government is still playing with the problem and the investors will have to pay for it, and their children will have to pay for it for the rest of their lives.

They will have to pay for the incompetence of the Canadian Government, of the Imperial Government. The farmer and the worker will have to pay hundreds of dollars in unnecessary taxation; the investors thousands. The money savers, the men and women who supply the money for municipal works, for building up industries, for equipping farms will be the worst hit for all direct national taxation will go after them first.

CUTTING THE COST OF PUBLIC SERVICE.

THANKS largely to W. B. Northrup, Member of Parliament for East Hastings, who introduced the resolution, a committee has been appointed to report as to steps to curtail the expenses of parliamentary sessions. The step is in the right direction. But, why stop with parliamentary sessions? The wheels which run the House of Commons itself are only a small part of the machinery which runs the nation's affairs. If they are operating with such inefficiency as to result in waste then they but typify the whole system by which the country's business is transacted.

This is a time for economy. Economy means elimination of waste. There is probably no organization in the country which is operated with less efficiency and greater expense in relation to results than that which handles the public's business. Mr. Northup is to be congratulated on the inquiry which he has started but it should be enlarged to include every government department. The modern business and system expert should have a recognized position in the departmental service.

NO JUSTICE FOR POWER COMPANY.

DISALLOWANCE of the acts of the Ontario Legislature respecting Niagara development has been refused at Ottawa. The efforts of the Electrical Development Company to secure a legal interpretation of its rights has again been circumvented. The company has been sent from pillar to post—and back again. In the first place the courts were asked to issue a writ against the Hydro Commission and the Attorney-General with regard to legislation passed affecting the rights of the company. A fiat was applied for to the attorney-general in order that such action might be taken. The fiat was refused and ordered out of court on the ground that the remedy, if any, was in disallowance by the Dominion Government. Accordingly the action was taken to Ottawa and the Minister of Justice refers the company back to the courts. Three actions to secure an expression of justice bring the company back to the starting point. Where then is there justice for a corporation which dares set up rights in opposition to Hydro-Electric appropriation or confiscation?

PRACTICAL ECONOMY.

WE hear much of thrift and economy in these war times. They should both play an important part in the every-day life of the individual. At the same time they should be accepted in their broad national application. Practical economy is not so much the saving of money as it is the wise spending thereof—in a word the elimination of waste. Economy in foodstuffs means conservation of supplies because there is a world shortage but economy which throws workers out of employment instead of shifting them from one employment to another may do very real harm. Of such "economy" the New York *Annalist* says:—

> It deprives many of the means of livelihood and does not add to the production of things essential to the conduct of the war. Nothing whatever is gained by cutting off the demand, let us say, for artificial flowers unless the labor and materials saved in that way are devoted to some other more useful production. It is vastly better that we should go on consuming non-essential things than that thousands of workers engaged in the production and distribution of luxuries should be left without work. We do not want to add to the necessary problems of war the unnecessary problem of unemployment.

In Canada, while practical economy is being practised in eliminating waste and in directing expenditures so as to insure the employment of labor, it should be remembered that home products should be favored for the reason that imported goods and articles are manufactured by the labor of a foreign country and that that country secures the benefit. Money spent for home products circulates in the country and aids in maintaining general prosperity.

TRUST AND LOAN NUMBER.

WITH this issue THE FINANCIAL POST presents a survey of the situation as affecting the affairs of the trust, loan and savings companies, reviewing their operations during the past year and dealing with developments, past and prospective, in regard to mortgage security, capital supply, etc. A detailed review of the earnings for several years past and analysis of the financial position of fifty loaning companies is given and that these companies have assets totalling over 90 per cent. of the total of all Canadian companies may be pointed out as assuring that the conclusions drawn and deductions made may be regarded as applying very generally to the whole situation.

The past year has seen a continuation of war conditions with aggravation of some developments which have served to interfere with operations. Some curtailment of mortgage fund requirements, and increased interest rates for capital have served to reduce profits to some extent, while the legislative tendencies in Western Canada have continued as a more or less disturbing factor. However, from the standpoint of stability the companies are able to show continued development of assets in relation to liability to the public which must be very satisfactory to depositors and debenture holders, while the improvement in the Western situation as to farm land values is another encouraging factor to shareholders which offsets any slight reduction of profits under the present unsettled conditions.

Generally speaking the mortgage and trust companies under the analysis presented in this issue reveal a strength which must earn for them the favorable consideration of investors in both debentures and shares.

EDITORIAL NOTES.

ONTARIO Fire Marshall Heaton estimates that in 1916 in this province alone $1,000,000 was lost in barn fires, of which $600,000 represented farm produce and live stock. Here is a little hint as to the importance of conservation while there is so much talk about production.

* * *

THE decision of the Organization of Resources Committee to co-operate with the Bankers' Association in extending credits where farmers have not available funds to purchase their seed supply, is an example of practical organization which should be productive of material results.

* * *

AS MIGHT be expected the ingenuity of the American mind has been energetically at work devising means for the sale of the Liberty Loan bonds. One of the ideas, which is being put into operation and which might be initiated in Canada next time a war loan is floated in this country, is to issue buttons indicating that wearers are owners of bonds. The United States Treasury is having prepared and will issue to subscription agencies a supply of buttons for this purpose and one will be given to each purchaser, whether of a single bond or many bonds. While the wearing of buttons for such a purpose will not appeal to everybody, yet there are always a sufficient number of people, who fancy that sort of thing, to make the scheme of some value and, if it has a helpful influence in the United States, it might be imitated here to advantage later on.

WILLYS—WHO MADE A FORTUNE IN A YEAR

Meteoric Success of Automobile King Who Could Sell Cars and Character—and Could Work.

With abounding faith in his own ability, inexhaustible energy and that salesmanship quality which sells human character as well as automobiles, John North Willys built a crippled industrial concern into a $68,000,000 organization in nine years and now ranks next to Henry Ford as a builder of gasoline driven vehicles. The career of Willys is a romance of the business world and his success like that of so many who have gone to the top of the ladder embodies to a large extent the element of hard work. Mr. Willys himself tells of his trials and successes in System:—

Did you ever succeed in getting together a fine bunch of orders? And then find that the corporation for whom you were selling was about to go to the wall—leaving you, your orders, and your commission adrift on the commercial sea?

Such was the exact situation which I faced in the panic year of 1907. I had gathered a splendid lot of orders for automobiles, but the factory which had undertaken to make the automobiles had hoisted the white flag and was about to centre its activities in the bankruptcy court. I saw the profits which I had expected—which I had almost reinvested—fading into thin air. But I was never good at fading; I made the instant decision that if the owners of the factory could not pull it out of the mire, I would. That factory was going to fill my orders before it died.

Within the course of a few weeks I found myself a manufacturer; I shall some day tell the whole story of the financing of those few weeks—of the money borrowed, and how it was borrowed to hold off creditors, of the shifts and schemes that I had to plan and execute here, there, and everywhere. Most days it was the toss of a penny whether we would go on or quit. But we went on.

Red Figures and Black on Balance Sheet

I was a manufacturer; I was president, treasurer, general manager—everything from the Lord High Executioner down. As assets I had a sheaf of orders, health, energy, enthusiasm, and a factory which was notable chiefly for the things that it lacked. On the other side of the sheet I had an uncommonly large list of firm creditors and the stigma of near failure. I had no personal debts, and I did have considerable personal credit. Neither the new firm nor myself had much if any cash.

Can you imagine a finer setting in which to stage experience? The setting was almost too perfect.

The only way that we could do business was to make the interval between the receipt of the raw material or parts and the outgoing of the finished product as short as possible. Our working capital was in the motor cars in process.

"Working capital" is rather a dignified term for our few dollars, but, whatever it was, it was certainly working. When a finished machine left the factory we needed the cash at once—sometimes we needed the cash long before the machine left but, being without bank credit, the only way to get cash was on the machines as fast as they went out of our doors.

I had orders in plenty for motor cars—I could always get orders beyond the capacity of the plant; but, working on a sort of penny-in-the-slot basis, we had to get out cars to drop in that slot. Otherwise the orders were only interesting evidences of sales ability.

It was in this situation that I evolved the maxim: "Profits are in goods delivered—not in orders." No manufacturer ever made a profit on his orders; he might as well go out of business as to have a vast pile of orders without corresponding deliveries.

It is a perfectly simple proposition, but how many manufacturers are really running "order museums" instead of factories? Every day that you delay in the filling of an order, unless your plant is already running to capacity, is making that under less valuable to you; your overhead is running along just as merrily as though the order had been changed into a bill of goods. That overhead is eating into your profits.

The point impressed itself on me when I discovered that we were being held up by the lack of certain malleable iron parts. We had been using malleable iron because it was cheap and durable—in fact, not only the best, but also the cheapest, material that we could find. But there was a delay of from three to four weeks in the receipt of the parts; they came in from one shop and then had to go out to be machined at another—they travelled around quite a bit before they were finally ready to use.

We had anything but a self-contained factory; we were little more than an assembling room. The building of the cars was always being halted; we could have deliveries in time on everything but these iron parts. I had a quantity of ready money orders to fill—and how we did need that money!

I called my heads together and suggested that we make the parts out of manganese bronze.

"Can you get quick deliveries on manganese bronze?" I asked.

"Yes, but we are going to knock out our profits if we do; the bronze will make just as good an axle—maybe a little better. But you can't put that kind of material into the cars and still make a profit." This was from the who kept his eyes on the cost sheets.

Manganese bronze then was selling at thirty cents a pound, while the iron came to us at about three or three and one-half cents. The difference in cost was about four dollars an axle.

"I will worry about the profits; you get the parts and get them here as fast as you can. We must get out these cars," was my final order—I wanted finished cars.

All the practical men kicked; expressage meant about two and one-half dollars more added to the fancy price of the bronze, and they could not see where we were going to "get off." But I saw that the overhead expense while we were waiting for the iron was the important cost to avoid.

The bronze was high and the credit short; in addition, we had an express bill of fifty or sixty dollars a day to meet, and that was a big sum to be forced to dig up in ready cash while the express man stood guard. But we sent out the finished cars!

But what was the result? We turned out 465 cars that year and 4,000 cars the following year; these cars pulled us out of the financial woods and left a splendid profit. The previous high record in the six years of business of that factory had been 47 cars! They had been looking only at the near costs—they hesitated to spend money in order to make money.

The motto which I adopted through force of circumstances is simple—it is self-evident when you look at it in cold type, but many people become so mixed in their immediate costs that they lose sight of the main object of manufacturing—to turn raw material into a cash bringing commodity. Often when you are debating a small added cost, the overhead will have ticked along past the difference you were discussing. I do not mean to depreciate the importance of warily watching little sums, but I do say that, when delay means money, you must take a broad view of the expenditure of the moment.

These finished cars were our only means of financing the making of more cars. I could not wheedle a penny of credit from the bank; I put my case before the bank officers—I laid all my cards on the table. I told them what I was doing and could do. But talk as I could I could not establish my credit.

The automobile industry in those days was looked upon as a sort of mushroom growth and bankers expected it to pass as the bicycle graze had passed. I knew what was ahead, but others—and especially the others who had the money—would not see my vision I was leading a day-to-day, hand-to-mouth existence as a manufacturer, but only because I knew that I could win out if I kept going.

The bank believed in me but they did not believe in my line. I never told the officers an untruth about the conition of the business; they knew my orders, my costs and my balance sheet. They were impressed by my frankness and caught by my enthusiasm, but they would not discount my company's notes. They compromised on discounting drafts with a bill of lading attached. They wanted something tangible.

I cannot say that this method of financing is a satisfactory one; it is too wearing on the nerves. To-day one cannot realize how great a victory I had won over the bank in causing them to relax even that far.

I made them discount these drafts by always being frank with them and always keeping every promise that I made to them. If I thought that I could not do something they wanted me to do, I did not make the promise and then trust to luck. I told them what I could do, and what I could not do, and when they wanted something beyond me I not only refused, but told them why I refused. That is, we got on a mutual basis of confidence. Which brings me to the second lesson.

Tell only the truth to your banker and make him believe in you. Bluffs to your banker mean ruin. And as a corollary, deal only with a bank whose officers appreciate the truth when they hear it; some bankers regard every statement, oral or written, as untrue until it is proved true.

Let me say in passing that, once I had this banking concession, I played it for all that it was worth. No sooner had a freight agent a bill of lading than the document was on its way to become bank collateral. I made some incredibly fast trips between the railroad station and the banking house.

Dealing frankly with a bank does not mean that you are to let them manage your business. The banking relation is purely one of purchase and sale; it differs from the ordinary sale only in the fact that you are dealing in money instead of goods representing money.

The mere fact that you offer yourself as collateral does not change the situation; if you do not regard yourself as the best collateral in the world, you have not enough confidence in yourself to warrant borrowing money. But banks do not always realize the true situation—or rather they did not; now banking competition is becoming so keen that few institutions can afford to maintain the old self-sufficient attitude. My bank was a business bank and the officers understood business men, but even then they would shut off on my drafts now and again. Automobile building was just out of the fly-by-night stage.

Perhaps You Have Been in the Same Position, Too

I remember vividly one instance when the bank answered no to a draft secured by an extra large consignment of cars. Whenever the consignees were slow in taking up their paper, the bank ran up a danger signal, which read: "Drafts for collection only."

I needed the money badly; the buyer was my best-rated customer—he was also a friend. I set forth all these facts to the cashier with considerable eloquence—one can be eloquent when he needs money. But the "no" was final.

While extending myself in the argument to prove that the bank should cash the drafts, I had also been thinking what I would do if I could not get the cash. When I found a discount impossible, I reluctantly put the drafts in "for collection" and tried to look satisfied. But once out of that bank I hit for the first telegraph office and [illegible] my friend to take up the drafts [illegible]diately upon presentation. I told him that I needed the money quickly. He took up the drafts at once; the [illegible] was credited to my account and I was able to get by.

I may say that there were several surprised bank officers when that draft was paid so promptly, but I had told them that the drafts would be paid on presentation. What I did over the [illegible] was only a demonstration that I had been right in asking for the discount and they had been wrong in refusing. I had less trouble with my drafts after that incident.

All these things took place not merely through the first three years of business, but almost during the first three months. I had fully taken over the plant in January of 1908, and I told the bank that on the 15th of August the place would be clear of debt.

They did not laugh at me I was far too earnest for that—but, with the exception of one man, they were somewhat more than skeptical. They were afraid not to believe me, for I had made them sit up; at the same time they were afraid to believe me because the task seemed impossible.

On August 15th I had all the debts paid! My inventory showed a net worth of $58,000—and I know that inventory was correct; I took it myself.

The result of that inventory gave me the happiest moment of my life; with my financial head above water, I could see clearly the success that was ahead.

That inventory was the start toward big business. The next year, on this capital of $58,000, we made and sold 4,065 cars and cleared a profit of more than a million dollars.

PERSONAL

E. L. McDONALD has been appointed a director of the Maritime Telegraph and Telephone company, to fill the vacancy caused by the resignation of Michael Dwyer.

CAPTAIN H. C. WALKER, C.F.A., who was married at Christ Church, Folkstone, on February 28, is the youngest son of Sir Edmund Walker, general manager of the Canadian Bank of Commerce.

ALEXANDER BAPTIST, a pioneer resident of Three Rivers, who died last week, was one of the most prominent lumbermen in the St. Maurice Valley some years ago. He sold out his interests to the Wayagamack Pulp and Paper company about five years ago.

LIEUT.-COLONEL G. ERIC McCUAIG, D.S.O., officer commanding a Montreal Highland battalion, who has been suffering from laryngitis in a London hospital, is reported to be improving. Lieut.-Colonel McCuaig is a son of Clarence J. McCuaig, of McCuaig Bros., the well-known Montreal brokers.

SENATOR BAIRD, for many years a prominent figure in the lumber industry of the upper St. John, is dead at his home in Andover. In his early life the late Senator taught school, and then engaged in lumbering and storekeeping. He was also identified with a number of industrial and financial corporations. He was called to the Senate in 1895, by the Conservative Government.

S. J. MOORE, who was this week unanimously elected president of the newly-organized Parkdale Provincial Liberal association, is one of Toronto's most prominent business organizers and is quite well known in connection with public affairs and church effort. He is president of the F. N. Burt company, William A. Rogers, Ltd., the Pacific-Burt company, the American Sales Book Co., the Kidder Press company, vice-president of the Imperial Life Assurance company, and a director of City Dairy Company, Porto Rico Railway Company and Mexican Northern Power Company.

B. HAL BROWN, president and general manager of the Prudential Trust company, of Montreal, has entered an action for $50,000 damages against the Quebec Light, Heat and Power company for injuries received when his automobile was struck by one of the defendant company's cars on Dalhousie street, Quebec. In addition to his connection with the Prudential Trust Company, Mr. Brown is a director of the Toronto Safe Deposit company, a director of the Quebec Mausoleum company; and a director of the Winnipeg Northern Realties company and the Recollect Land company. It is interesting to note that Sir Rodolphe Forget, president of the Quebec Light, Heat and Power company, is a director of the Prudential Trust Company.

R. A. PRINGLE, K.C., who has been appointed by the Government as a special commissioner to conduct an enquiry into the production and sale of newsprint, has had considerable experience in work of this kind. With Judge McTavish he sat on the commission which probed the origin of the Parliament buildings fire at Ottawa. He has also conducted several other investigations for the government. Mr. Pringle has been practising law for over thirty years. He formerly resided in Cornwall, but at present he is head of an important law firm at Ottawa. He was prominently mentioned for one of the vacant Ontario Supreme Court judgeships recently, and was stated to have declined the honor. Mr. Pringle represented the county of Stormont in the Dominion House from 1900 to 1908.

T. H. McMILLAN, whose death took place on Saturday, was long a prominent figure in the business life of Oshawa and the Province of Ontario. Mr. McMillan was the founder of the Western Bank of Canada, and although he was in failing health for several months retained till the end a vital interest in the many activities with which he has been so long associated. Mr. McMillan removed to Oshawa from Whitby over 40 years ago where he began his business career in the mercantile field. While still young he occupied in the old county town the highest municipal offices and was warden of the county. Associating himself with the late Hon. T. N. Gibbs and Mr. W. F. Cowan they founded The Ontario Loan and Savings Company, the deceased being its first and only manager during its long and fruitful career. He will be better remembered, however, in the larger sphere as general manager of the Western Bank of Canada which successful institution was amalgamated with the Standard Bank of Canada, in the year 1909. After the absorption of the bank by the Standard, Mr. McMillan accepted a seat on the Board of Directors which he continued to occupy until his death.

THE GREAT AMERICAN LOAN FOR LIBERTY

Some "Close-up" Impressions of How the Big Flotation Has Been Received in United States—and Some Effects.

Written for The Financial Post by AGNES C. LAUT.

New York.—In the financial records of this country, no loan has ever had such a record as the Great Liberty Loan of U.S. bonds to finance the Allies in the war. It is well known that one of the great steel companies has cleared high as 100 per cent. on its war orders, and that some munition factories which finally filled the requirements of foreign standards, cleaned up high as a thousand per cent. It is also well known among insiders that munition factories which did not come up to requirements had rejections run high as 20, 30 and 40 million dollars for the year 1915-16; but the fact remains this has been a big dividend year among munition factories, pork packers, railroads, copper and metal concerns. The Liberty Bonds offer only three-and-a-half per cent. Yet the entire 2 billions out of 7 billion dollars has been subscribed beforehand, or subscriptions have been guaranteed by the country within a week of issue. Three-and-a-half per cent. has won against competition of 24 and 48 and 100 and even 1,000 per cent. Why?

Because now that the President has taken his stand in the Great War for freedom, the country is heart and soul behind him.

Because the Liberty Loan is the first chance the American people have had to prove in paid-down hard cash how they felt on the War.

Because money seems a cheap price to pay to help to win victory.

Because, too, now that the foundations have begun to heave beneath financial Europe, bonds with the guarantee of the U.S. behind them are a great deal more secure than bonds guaranteed by foreign governments, whose people undeceived may yet tear their rulers limb from limb. Herbert Hoover declares when once the German people learn how deeply they have been deceived—Hoover saw film pictures in Belgium of Westminster Abbey crashing to ruin under German Zeppelins—no power on earth can hold back the retribution at the hands of the people; and that means that some European securities will not be worth the paper they are written on, unless a German fleet captures all the American cities on the Atlantic Seaboard and exacts indemnity for the entire cost of the War.

The Non-Tax Feature.

It is a curious thing that righteousness, security and fear should be basic motives beneath the success of the loan. But there has also been another very practical motive beneath the success. If the War should last, who can tell what percentage of profits will be taxed? In certain European countries, profits are now taxed 80 per cent. The United States is now considering to what extent big incomes and profits shall be taxed. Profits on the Liberty Loan are not to be taxed. Another point—it has been pretty well worked out by big bond houses that in war loans, there is an enthusiastic whooping success in the launching, then a reactionary slight slump, then when peace comes a jump of about 10 per cent. above par for the side that wins. The buyer is sure of three-and-a-half per cent. If he buys under par, he may clear 3 to 8 per cent. more. If the bonds jump to 110, he is sure of at least three-and-a-half plus 10, which looks pretty good in perilous times.

Also the loan was magnificently managed. Bonds could be bought in big quantities, or they could be bought in big quantities, or they could be bought in instalments, and would bear interest from the date of subscription. Every bank of any standing in the country from Alaska to Florida wrote personal letters to every depositor inviting favorable and patriotic consideration. The press gave the bonds the greatest blast of publicity known in this country since Morgan launched his Steel Trust. The newspapers have been filled with accounts of telegraph offices swamped with offers for the loan and mails congested and staffs of clerks working day and night on the lists.

Atmosphere "Caution" Charged.

Yet the week the loan was launched, railroads—the biggest earners in the country—dropped to the lowest levels known since the panics of 1907 and '93. Two or three of the best railroads in the country withdrew from the market loans that had been launched or planned. Unless we are to lie to ourselves, we may as well acknowledge that a quiver ran through the whole financial structure. Everybody is talking prosperity in billions; but all the same, everybody is reefing sail. The guards on the New York Subway don't need to call out "Watch your step." The whole city is pussy-footing over cut glass. I don't really know the explanation of the curious phenomenon. I only repeat the explanation, which every authority is giving every other authority.

Say the manufacturers: With labor at its present cost level and raw material at 300 per cent. advanee over 1914, no matter how prosperous the going, You Watch Your Step!

Say the big bond houses: Yes, we know workmen must still take street cars, and homes must still burn gas, and factories must still buy power; but with a dead certainty of thirteen-and-a-half per cent. in government bonds, how are we to compete with bonds for private and semi-public venture, which cannot pay more than 5 or 6 per cent?

The Unloading Process.

Say the brokers and promoters: Yes, of course, we know money loaned to the Allies for War is coming right back in this country to speed up business to a pace never dreamed, to a pace that may smash us. We know that! We are going to have an avalanche, of prosperity, of high prices and dizzy profits and doubling wages; but here is the hitch—with War bringing an almost certainty of all incomes over $100.000 being taxed anywhere from 20 to 80 per cent.; all the big fellows are going to unload all taxable forms of investment and buy these untaxable tax-exempt-for-all-time bonds. Where are we to get capital to pay the piper for our dance?

Say the stores—Everybody is saving money to buy these bonds. Nobody is buying anything but food, a garden hoe, seed—and bonds. If this lasts much longer, we'll have to lay off hands. It is becoming bad form to spend freely.

A Time For Conservation.

Say the bankers—but they say it with a muzzle on and only in private—So carefully, save, conserve, wear your clothes two seasons, use your old car; but above all, make all the money you can now and save—save—save; for when the world begins to pay for this War, only the gods know who or what will be dragged into the whirlpool.

What will come out of it all, I do not know, but in the past, when crashes have come, the man, or woman, with a reserve of savings, a quiet poised mind and an alert eye, has been the one to pounce on opportunity, master the situation and help others.

It seems to me only three courses are safe just now: the Liberty Loan for spare cash; when the crash comes to buy in at the bottom; and with a starving world clamoring to be fed, the purchase of good land. It seems to me at last the farmer is going to come into his own. Country acres where food can be raised are going to discount city lots where taxes must be paid and people may starve.

Financers expect the greatest farm boom America has known; and I am not surprised to learn there are more enquiries for land in Western Canada than since the rush of 1908-12.

The Farmers' Opportunity.

The President has been empowered to take extraordinary measures regarding food during the War. It is likely that maximum and minimum prices will be named; but in spite of that, make your mind easy regarding the farmer's opportunity! They have tried maximum and minimum prices in Germany; and a regulated prices of 25 cents a pound for ham did not keep ham from changing hands privately at 50 dollars a quarter. The story is told of a letter to America from the Central Powers. It described how spendidly nourished the people were. Attention was called to a fine picture of the German Emperor pasted on the back of the page. Suspecting something, the recipient steamed off the picture. Beneath were the words—"We are starving." When that happens, there is only one arbiter of the price of food, and that is the highest bidder; and there is only one purveyor; and that is the farmer; and no laws have ever modified that fact from the days of Joseph in Egypt to the present.

Munition makers have drawn their 100 and 1,200 per cent. The farmer's day has come.

CITY OF TRAIL, B.C.

FINANCIAL STATEMENT

As at December 31st, 1916

RECEIPTS

Bank credit balance, Jan. 1st, 1916		$ 1,456.44
Arrears of taxes		1,821.88
Current taxes		14,185.86
Licenses, fees, police fines, interest		23,597.33
Waterworks gross earnings		11,959.80
Proceeds debenture sales		10.900.00
Miscellaneous earnings		517.53
Bank overdraft, Dec. 31st, 1916		199.15
		$64,637.99

EXPENDITURE

Interest discount and exchange		$ 2,489.85
Sinking fund payments		3.011.75
Expense		3,820.01
Salaries		2,385.00
Travelling expenses		143.65
Fire Department		1,764.59
Police Department		2,909.90
Health Department		2,321.06
Parks and cemetery expense		3,967.29
Waterworks Department		3.406.67
Public Works Department		6,139.52
Real estate expense		31.15
Municipal Hall property		462.51
Office furniture and equipment		183.48
Horses, wagons and sleighs		822.90
Schools		28.277.06
Miscellaneous charges		2.501.60
		$64.637.99

ASSETS

Cash balances sinking fund and trust accounts		$10.410.76
Tax arrears and accrued interest		4.727.00
Outstanding rates and accounts		2.628.75
Real estate, buildings and furniture		79.842.49
Waterworks plant		16,574.26
Nuisance ground		450.00
Weigh scales		92.07
Fire department		3,084.60
Police department		811.50
Health department		387.67
Horses, wagons and sleighs		1,433.31
Stores on hand		1,338.27
Debentures redeemed		2.500.00
		$124,230.68

LIABILITIES

Bank overdraft		$ 199.15
Debentures (non-productive)	$36.500.00	
Debentures (revenue producing)	15,000.00	51,500.00
Tax sale surplus		625.84
Unclaimed wages		11.30
Accounts payable		4,219.08
Surplus		67.675.31
		$124,230.68

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

Russian Rubles.

J. W., Grimsby.—Your paper had an article on Russian Rubles and the manner of purchasing options for months ahead. Can you tell me what copy contained it? Can you tell me how it works out? When you buy do you lose the money it takes to purchase the option whether exchange advances or not? Do conditions in Russia warrant a purchase as above?

The papers you inquire about are being sent to you. They cover the matter at considerable length. As we understand it, the proposition was that the option taken would be recognized as part payment for the amount of rubles being purchased and that it would apply to the price in the event of exchange advancing sufficiently to provide a profit; on the other hand it would be lost in case the option was not exercised when the period it ran had expired. However, it appeared at the time that there was a margin in favor of the seller as between the price at which the rubles were offered and the price they were worth at the prevailing current rate of exchange.

Altogether, this ruble buying on option would appear to be out and out gambling, and it should only be considered on that basis. As to what conditions in Russia warrant we would not care to venture a guess under the prevailing conditions. Were it a matter of Russian bonds, such as the issue to run ten years, the question would be entirely different.

MUNICIPAL BOND ISSUE.

Reeve (Ontario Village)—"We expect to offer in the near future an issue of debentures. My inquiry is to the state of the bond market at present. With present conditions, is it advisable to offer?"

It is an extremely difficult matter to decide as to the advisability or inadvisability of offering a bond issue at the present time. Generally speaking we advocate the policy that when a municipality needs money, it should proceed at once to secure it. Over a period of years, the prices of the various issues made by a municipality will even up and sales in a poor year will be counterbalanced later on by sales in a good year.

Some municipal officers may be exceptionally clever in hitting upon the psychological moment for floating an issue, but generally speaking it is a source of worry, without much compensation, to try to select the most advantageous time to sell. Of course commonsense should be exercised in avoiding an interval when big financing is absorbing the market, or panicky conditions are prevailing, but, under ordinary circumstances, a municipality is just as likely to get as good a price to-day as a week or a month from to-day.

In the jugment of some experts, it would be a bad time to sell now. Business is slack. Prices are down. Bond dealers are not bidding for issues. The market is influenced adversely by the American war financing, which is absorbing the attention of United States investors. These people look for improvement in the late summer or early fall and would doubtless advise holding over municipal isues until then. Their view may turn out to be the right one. Then again it may not. We have to remember that another domestic war loan is likely to loom up in August or September and, if the experience of the last loan is repeated, it will further depress the market for other issues.

As between now and next fall, therefore, it is mere guesswork to decide which will prove the best time to float a loan and a municipality might be just as well advised to take the plunge now and get what it can for its securities. Of course, if the tale could be postponed until after the war, the case would be different, for it is reasonable to suppose that money rates will then be lower. But for immediate or early needs, it appears to us that little is to be gained by waiting for a favorable time, which may not materialize for many months.

GETTING DOWN TO A WAR BASIS

George Bury Tells Americans Something of his Observations While in Europe.

"It has taken all the belligerent nations in this world's war, who are not directly under invasion, a long time to think 'as at war rather than at peace,' " said George Bury, vice-president of the Canadian Pacific Railway at New York this week. Mr. Bury, who has recently returned from Russia, which country he visited at the request of the British Government, has been to Washington, where he went at the request of the Advisor Committe of the Council for National Defense. He stated that he believed the reason he was asked to come to Washington was that his country has seen nearly three years of war, and that he had had the privelege of travelling through all the countries of the Allies, with the exception of Italy, and through most of the neutral European countries.

Mr. Bury stated that war seemed to be one-tenth fighting and nine-tenths business organization; that Americans were the greatest organizers and the most energetic resourceful people in the world; that when occasion demanded it they were capable of the greatest sacrifices; and that the world would be surprised at the tremendous effect the United States coming in would have.

He stated he was greatly impressed with the sacrifices and brilliancy of the French, the bulldog tenacity of the British, and the fatalistic bravery of the Russians. He stated that it was too bad that Great Britain had not seen the wisdom of giving publicity to the part she had played in the world struggle, of the immense work in creating, supplying and munitioning her armies in the different parts of the world, besides holding the seven seas.

"War means great sacrifices, and no nation with any spirit could allow all the sacrifices to be made by the soldiers and the soldiers' relatives, but rather everyone in the nation must do his part," he said.

"I have heard unthinking people say that the railroads of the States might be found wanting. It must be remembered that there is no such vast movement of freight traffic anywhere in the world as on the American continent, and that when the people think as at war, rather than as at peace, and allow the American railways to take the action that is now followed in Europe, the American railways will be equal to any task.

"If the American railways were called upon to move large bodies of troops, and supplied same accommodation as in Europe, they would be in a position to move a vastly greater number in a shorter time. In Europe during war troops are moved in freight cars when passenger equipment is not available.

"In Europe the passenger service has been curtailed, and the trains left on slowed up, and the running of fast freight trains discontinued. Canada and and the United States will have to bend every effort to increase the food surpluses by extra production and saving. Large fleets of ships will have to be built to supply Europe with the necessary food. Troops will have to be raised, and a grave labor shortage will immediately materialize unless means are taken to substitute women for men where work will admit, and of placing the male population in employments of necessity to win the war; cutting off all frills until after the cause of humanity has been saved. The passenger service ought to be reduced and slowed up; the fast freight service replaced with full trains. This will result in an immense saving of fuel oil and labor. If other reductions, essentials in times of peace, but non-essentials in times of war, such as the closing of outside agencies, taking off freight and passenger canvassers, etc., etc., a number of men would be released for other services. Some of the other belligerent countries, probably through underestimation of the length of the war, or through their eagerness to raise a large army, drew men that could not be spared from essential employments, causing disruption, which made it necessary to return men from the front for transportation, mining and manufacturing. Some of these nations allowed their cars and locomotives to get out of repair, which has had unfortunate results.

"When history of the war comes to be written it will be found what effect efficient transportation has had on victories, and how inefficient transportation has brought about dire defeats.

"You are to be congratulated in so quickly forming a central committee, in Washington, to deal with the major matters of transportation in the United States as a whole, with such an able chairman and executive. If supported by public opinion they can quickly make the drastic moves necessary in this crisis.

In all the allied and neutral countries food restrictions of varying kinds are in force. Food conservation should be taken in hand here at once. It will not hurt for our diet to be simplified somewhat and we might begin with a darker bread and forbid the consuming now of veal, young lambs, little chickens and baby pigs.

"Once the American peoples are fully informed what the war means, and drastic moves that may be necessary, they will rise as one to put them into force.

"If I might, with propriety, venture a suggestion, it is that at the present Colonel Roosevelt could render a powerful service to the country he loves and has served so well, by explaining to the people in the various parts of your immense country, in his wonderful magnetic manner, what the war means, and what everyone must do to win it; the need of pooling every energy and resource, and the temporary sacrifices that will have to be made by changing from peace to war conditions."

The Hendel Manufacturing Co., of Massachusetts, makers of the Indian Motor Cycle, have taken up their option on 15 acres at Weston, and will soon begin work on their Canadian factory.

Greenshields & Company

Investment Bankers

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Montreal

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OPINIONS ON THE LIQUOR ISSUE

Opinions Which Have Been Expressed on the Question Raised by Captain Goforth.

Dear Sir,—As a reader of your paper I desire to congratulate you on your stand regarding the "Wet Canteen" and Capt. Goforth. I hope that you continue the good work and that some of the daily papers and others will soon realize the importance of the issue and force the Government to act at once, through arousing the public interest in this matter. It is as you say, a vital point, and one that touches the very foundation of our national welfare.

Assuring you of my help and sympathy in this matter, I am,

Yours truly,
A. R. L.

MAJOR DEFENDS CANTEEN.

St. Johns, P.Q., April 30, 1917.

THE FINANCIAL POST,—

I have read the charge of intemperance made by Captain Goforth and the subsequent debate on his charges in Parliament.

My experience, extending over thirty years, in the Garrison Town of St. Johns, P.Q., is that there is more drinking amongst soldiers with a "dry canteen" than with the Wet.

When the men can get mild ale at the canteen, they are not tempted to go down town and imbibe rotten whiskey, out of bottles kept specially for soldiers, and which knocks them out in one round.

After the "knock out" of the whiskey, the men lose control of themselves, and that is the time they get in with the class of women from whom they contract disease.

I don't suppose any temperance crank would suggest that the men could get drunk on the mild beer as formerly sold in the canteens, besides there are non-com. officers about who would soon put a limit to their libations if they approached intoxication.

I have never seen, or heard, of a soldier getting drunk in the canteen.

As to Prohibition, I was in the Province of Nova Scotia, (a Prohibition Province) at New Year, and saw more drunkenness in one week than I have ever seen in the Town of St. Johns, including its Garrison, in any year during the last thirty years.

Before such a tirade, and sweeping statement as that of Capt. Goforth should be even considered, and much less printed with the prominence you gave it, better authority should be called for than the bare statement of one officer.

Capt. Goforth's charge is against All the brave men who have gone overseas, and includes all units. This is too sweeping, and unjust and libelous as regards the very large majority. A finer or more sober lot of men than those comprising the 2nd, 3rd and 4th Divisions could not be picked out of any community, and I for one hate to see them slandered.

W. C. TROTTER,
Major, R. L.

Writer's Name Not Given.

A letter regarding the question of liquor and the militia has been received from a correspondent at Orillia who does not give his name. As an evidence of good faith THE POST desires the names of correspondents whose letters are published, although of course when desired the writer's identity will be regarded as confidential.

Remember Vimy Ridge!

Our boys are doing THEIR part helping to drive the Hun from devastated France. OURS is to help restore some semblance of home to the unfortunate people who fled from these districts.

If you had run before the Germans you would feel as the civilian French in their districts feel to-day. Not all the pluck in the world could keep you from despair unless somewhere, somehow, you saw friendly hands reached out to help you, unless you had hope of rebuilding and restoring your house, your village, your farm!

The SECOURS NATIONAL asks you to consider now this new great need — and relies upon your humanity and generosity to answer it.

We must raise at once $25,000. Will you send Secours National a Contribution?

51 King Street West,
Glenholme Falconbridge,
President.

6% INVESTMENT

We have available a limited amount of a particularly attractive Bond Issue. Some important features are as follows:—

1. *Interest and Principal payable in gold.*
2. *Free from Normal Federal Income Taxes (either in Canada or the United States.)*
3. *Average earnings over five times the interest requirements.*
4. *A thoroughly sound investment which should appeal to those desiring a straight 6% income.*

Full particulars on request.

A. E. AMES & CO.

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City of Toronto	4½%	1948	@	5.40
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" " "	5	1953	@	6
" " Calgary	5	1933	@	6
" " Cranbrook	5	1951	@	6¼
" " Chilliwack	6	1936	@	6¾

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SPECIAL FACILITIES FOR THE PREPARATION OF MUNICIPAL DEBENTURES

HEAD OFFICE and WORKS OTTAWA

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A Prisoner in Germany

—a Canadian interned at Ruhleben, the famous German internment camp—was permitted to be transferred to Switzerland. From this country he writes his story of Ruhleben Camp—a live, human story of intensest interest. Read it in

MACLEAN'S Magazine for May

Always MACLEAN'S MAGAZINE contains articles of a class you'll find in no American magazine—articles *Canadian* in theme and staging. MACLEAN'S goes in for articles, biographies and stories that make Canada and Canadians better known and better loved by its own people. This is its big and worth-while mission, and this is why it should possess *your* favor to a pre-eminent degree.

In the May issue of MACLEAN'S, in addition to the remarkable article announced above, are the following notable features:

Successful Canadians Living in New York

This article is one of a series dealing with Canadian-born men who have won fame or fortune or both in New York City—and there are many such. Mighty good reading of an intensely interesting and unusual sort.

German Plotting Against Canada in the U.S.A.

By Agnes C. Laut

Miss Laut has a knowledge of German plots and intrigues at once amazing and accurate, and her revelations are positively startling. She writes fearlessly and with her accustomed vigor.

Sunshine in Mariposa

By Stephen Leacock

This is a comedy by Canada's master humorist. Extremely amusing and clever is this play. Leacock grows better all the time.

Short Stories

By Arthur Stringer, Hopkins Moorhouse and Mary Gaunt

These stories are Canadian in their background and are good. MacLean's is doing a very meritorious work in developing and introducing new Canadian writers and writers on Canada.

Two Good Serials

By Sir Gilbert Parker and James B. Hendryx

Parker's story is entitled, "Jordan is a Hard Road," and Hendryx's, "The Gun Brand." They are rousing stories told by masters of the craft of writing and story-telling.

[illegible], there is the [illegible] Review of Reviews Department, in which the best things appearing in the current periodicals of the world are condensed for busy readers. So MacLean's becomes a most appealing and satisfying magazine. It is unlike every other magazine, and no other magazine serves Canadians so well.

At All News Stands—15c.

NEWS OF THE BOND MARKET

UNPROMISING OUTLOOK FOR SALE OF BONDS

Toronto Has Not Sold a Bond Since Last November.

MARKET NON-RECEPTIVE

May Become Necessary to Appeal to Dominion Government for Arrangement Whereby Money Will be Loaned Municipalities.

All interested in the present condition and future outlook of the market for municipal bonds will read with interest the following statement presented this week to the Toronto Board of Control by the Finance and Works Commissioners. Many municipalities in Canada are in a greater or lesser degree in the same position as Toronto, and the warning issued should be carefully noted by all who are concerned with municipal administration:

"Recently there have been proposals brought before the Works Committee that certain undertakings involving fresh capital expenditure shall be proceeded with. In a report to Council, December 21, 1916, the following recommendation was made: "That, in respect to undertakings involving capital charges, the policy be adopted that no new work, service, etc., shall be recommended, authorized or proceeded with, during at least the period of the war, unless good and sufficient evidence be advanced that the same be absolutely necessary.' This report was adopted by Council, and since then practically no new works have been undertaken, and consistent with the decision then reached your board and Council refused to sanction the Board of Education's request for new capital for schools and sites at the time the estimates were being considered.

As you are aware, a number of works are proceeding which were commenced some two or three years ago which the city is obliged to complete. Some of these have not been finished as yet. In addition, other works which have been recently completed have been carried through on capital temporarily borrowed; the permanent financing not yet having been arranged. For the foregoing, and for war expenditures, as set forth in the statement submitted with the estimates, the city will require to borrow in the neighborhood of nine millions of dollars.

"The city has not made a sale of bonds since last November. The conditions have been so unfavorable that no offering has been attempted. The immediate outlook, due to the entrance of the United States into the war, and to the demands which are being made by that Government for capital, is more unpromising than at any period since the war commenced. We might further add that recently several United States municipalities have withdrawn their bond offerings from their own market, because they realized that it was impossible to effect a satisfactory sale.

"The Canadian bond market is absolutely non-receptive. The last Dominion loan which was floated is to-day selling at a lower price than that at which it was offered to the public, and there is considerable quantity of it still undigested, and in the hands of bond houses. It is absolutely essential, therefore, because of the foregoing conditions, and also because of the present heavy capital indebtedness of the city, and the debt charges associated therewith, that we shall not embark upon any new capital expenditure whatever, unless legally compelled to do so.

"It is realized that there are many undertakings which, if conditions were normal, and if our finances would warrant, should be proceeded with, but we must recognzei that conditions are not normal; that we are in a period of financial uncertainty, and that our present financial condition does not encourage us to add to our already heavy burdens."

It is evident that large cities like Toronto, Montreal, and Ottawa, cannot hope to float bond issues at present, except at very high interest rates and it is becoming a very serious question how they are to finance their requirements. If conditions become much worse, it may become necessary to appeal to the Dominion Government for the arrangement of some means whereby, for pressing needs, money will be loaned to the municipalities by the Government. In other words, let the Minister of Finance do all the borrowing for the Dominion, provinces and municipalities until such times as conditions return more nearly to normal.

CANADA'S NEXT LOAN.

Arrangements to be Made to Borrow in United States.

It was announced semi-officially on Monday that the next Canadian war loan would be floated in the United States. Owing to the restriction of Atlantic transportation and the British embargo both on exports and imports, Canada has been buying more than ever recently from the United States and the adverse trade balance is growing. Under the circumstances a loan of fifty or one hundred millions by Canada in the United States will probably be arranged through the co-operation of the authorities at Washington, thus levelling to some extent the flow of money back and forth across the border. In the autumn a further Canadian domestic war loan is expected. So far Canada has raised $350,000,000 in domestic war loans and has advanced a credit of $200,000,000 to Great Britain to finance war orders in Canada.

Features of the Week

Probably the most significant feature of the week has been the way in which the price of Ontario municipals sold by tender have slumped. When the bonds of the City of Kitchener sell at 5.80 per cent.; when a strong township like Etobicoke gets only 5.75 per cent.; when the Town of Renfrew can scarcely do better than 6.00 per cent., and when the best offer for Cobourgs is around 5.85 per cent., then we are convinced that the whole range of municipal prices has fallen away decidedly. More than this, it is worth noting how few bond dealers are bidding for issues, and how divergent are the tenders, even when only a few offers are made The situation is not a pleasant one for officers of municipalities to face, but it is an outcome that has been prophesied by bond holders for some time back. The anomaly of municipal issues selling at a higher figure than the well-secured bonds of governments has long been a source of wonder, and now it would appear as if the anomaly was to disappear.

The Canadian market continues in a dull state. There is some little domestic demand, but principally for war bonds and higher-yielding municipals. United States business is practically non-existent. The exuberance which greeted the early dealing in the Liberty Loan has died down, and the real meaning of raising two billion dollars seems to be coming home to the American Government and people. In Canada, hopes that the Liberty Loan would be a complete and early success, and that the market would see an improvement before snmmer, are dying down and the realization is striking home that this country will have to rely more than ever on its own resources for the immediate future.

PRICES RECEDE.

Issues Placed This Week All Show Decline in Values.

The town of Renfrew obtained 100.38 for its issue of $11,533.73, 6 per cent., 20 and 30-instalment bonds, up for sale last Saturday. This price was on a basis of 5.98 per cent., which is considerably below the price obtained at the last sale of Renfrew bonds. The issue was awarded to A. H. Martens & Co., the bids being as follows:—

A. H. Martens & Co.	100.38
W. L. McKinnon & Co.	100.09
R. C. Matthews & Co.	98.72

The township of Etobicoke, one of the best townships in Ontario, was only able to secure a slight premium on a 5.75 per cent. rate for its latest issue, which was placed with the Imperial Bank last Saturday. The issue consisted of $4,000, 6 per cent., 20-instalment, school bonds, and the sale price was 102.325. Following are the bids received:—

Imperial Bank	102.325
G. A. Stimson & Co.	102.10
Macneill & Young	102.03
Canada Bond Corporation	101.59
C. H. Burgess & Co.	101.17

The same experience befell the city of Kitchener on May 3, when for $66,698.23, 6½ per cent. bonds, of varying maturities, only $ 65,744.44 was bid. This was approximately on a 5.82 per cent. basis. The successful tenderers were C. H. Burgess & Co.

The town of Orillia, which also had an issue up for sale on the same day as Kitchener, is understood to have rejected all offers.

COBOURG DECLINES.

Six Bids Received for Bonds, but None Were Accepted.

The town of Cobourg, which had an issue of $10,000, 5½ per cent., 10-instalment bonds, up for sale on Monday, received six offers, but decided not to accept any of them. The highest bid was 98.66, which works out at about 5.85 per cent. This is of course a pretty low price for Cobourgs, but when the general state of the market is considered, with its uncertain outlook, it should not be regarded as out of the way. The bids received ranged as follows:—

Brent, Noxon & Co.	98.66
Imperial Bank	98.43
R. C. Matthews & Co.	98.22
Macneill & Young	97.73
A. E. Ames & Co.	97.17
W. A. Mackenzie & Co.	97.11

U. S. MARKET IN APRIL.

While Sales Were Large, Prices Were Considerably Lower.

Reviewing the municipal bond business in the United States for April, the *Bond Buyer*, of New York, states that while municipal borrowing last month reached a large total, April was an unsatisfactory month for public borrowers, inasmuch as market values of bonds declined abruptly and many cities were forced to accept prices for their issues several points below those prevailing prior to our break with Germany. Bridgeport, Conn., for instance, sold an issue of 4¼ per cent. bonds at par that would have brought at least 103 not many weeks ago!

"The fear that the exemption of state and municipal bonds would be removed by Congress as a means of enhancing the effectiveness of the income tax seriously disturbed the market position of municipals early in the month. But it was promptly and convincingly demonstrated by numerous legal and other authorities that Congress lacked authority to tax state and municipal bonds. It is now confidently believed by those in a position to know that Congress will not attempt to disturb the exemption privilege these issues enjoy."

The *Bond Buyer's* record of permanent state and municipal bond sales for April and the four months ending April, during the past ten years, is as follows:—

	April	4 Months
1917	$54,246,210	$157,898,969
1916	82,784,283	205,285,781
1915	27,096,703	206,214,201
1914	93,712,104	248,553,428
1913	20,057,324	100,363,505
1912	43,044,046	119,728,843
1911	29,014,595	163,707,266
1910	21,890,025	119,050,918
1909	30,304,494	129,068,404
1908	29,040,717	120,939,588

THE BRITISH LOAN.

Interesting Statistics Issued by Chancellor of Exchequer.

In his budget statement this week, the British Chancellor of the Exchequer made public the following figures regarding the war loan. The most salient of these are the following:—

Five per cent. loan.—New money, including treasury bills, £966,048,000.

Conversion of the old 4½ per cent. loan, £821,005,000.

Conversion of exchequer bills, £282,792.000.

Total 5 per cent. loan, £2,069,845,000.

Four per cent. loan, new money, including treasury bills, £22,658,000.

Conversion of the old 4½ per cent. loan, £28,726,000.

Grand total, £2,121,229.000.

The unconverted remainder of the old 4½ per cent. loan is about £20,000,000.

WON HIS CASE.

Financial Agent in Montreal Gets Damages for Non-receipt of Bonds.

A judgment of interest to financial houses was delivered in the Superior Court, Montreal, this week, by Mr. Justice Maclennan, when the Provincial Trust Company was condemned to pay to Edward Blake Thompson, $1,750, being the difference between the price the company contracted to sell $50.000 five and one-half per cent. bonds of the city of Maisonneuve to Mr. Thompson and the price the latter had to pay for them, owing to the defendant company failing to fulfil its contract to supply the bonds.

Justice Maclennan said that it had been established that on February 3, 1916, the defendant company sold to the plaintiff, $50.000 of the bonds of the city of Maisonneuve, dated May 1,1930, bearing interest at the rate of five and one-half per cent., at the price of ninety and a half and interest, and plaintiff thereupon made a resale of the bonds to Spitzer, Rorick & Co., of Toledo, at the price of ninety-two and a quarter and interest. Although the bonds were sold by the defendant company for immediate delivery to the plaintiff, the latter extended the date for delivery unitl April 1, but still failed to obtain them. Spitzer, Rorick & Co. threatened legal proceedings against the plaintiff for non-delivery, and the plaintiff was compelled to go into the open market and buy at the price of ninety-five bonds of the par value of $50.000 to replace those contracted for with the defendant. In doing so the plaintiff contended that he had suffered damages to the extent of $1,700.

Justice Maclennan found that the plaintiff had established his claim, and gave judgment accordingly for the full amount claimed and costs, with interest from the date of service and costs of the action.

SCHEME DROPPED.

Toronto Not to Convert Sterling Bonds to Dollar Debentures.

It was announced during the week by an official of the city that the negotiations under which Toronto proposed to buy in its sterling bonds and issue other bonds in the United States in substitution therefor, had come to an end for the time being. A warning was again thrown out that every class of work involving the raising of new capital should be resolutely deferred. The United States Government having undertaken to provide money in large amounts for the Allies, practically closed the American market to all outside borrowers and as a probable result, Canada will be thrown on her own resources.

R.C. Matthews & Co.

Government and Municipal Bonds

C.P.R. BUILDING TORONTO

Dominion of Canada 5% War Loan

Due Mar. 1st, 1937 at 95¼ and interest, yielding 5.40%

Delivered free of expense.

R. A. Daly & Co.

BANK OF NOVA SCOTIA BUILDING

TORONTO, ONT.

DEBENTURES FOR SALE.

Town of Listowel, Ontario

TENDERS will be received by the undersigned up until May 24, for $20,000 Town of Listowel 5½ per cent. 30-instalment school debentures, and $15,000 Town of Listowel 5½ per cent. 15-instalment on a loan to a spinning mill.

W. E. BENNING, Town Treasurer.

Town of Welland

Debentures for Sale

MARKED, sealed tenders will be received by undersigned up to twelve o'clock noon, May 17th, 1917, for:—

Debentures, Town of Welland, Hydro-Electric System.

$40,000.00, 5½%, half-yearly interest, 20 years.

Sinking Fund, $1,000.00 each.

Particulars on application.

The highest or any tender not necessarily accepted.

JEAN T. ROBERTSON, Treasurer.

Town of Matheson

$5,000.00 Guaranteed Debentures

SEALED tenders will be received by the undersigned up to and including May 21st, 1917, for Debentures for $5,000.00, bearing interest at 6% (coupons attached), guaranteed by the Province of Ontario.

Debentures payable in Canada, Great Britain or U.S.A., as follows: Interest only during first five years of currency, thereafter principal and interest in fifteen annual payments.

Purpose of issue, to make good fire losses, sidewalks, roads and bridges, etc. The highest or any tender not necessarily accepted.

FRANK E. GINN, Town Clerk.

County of Peel, Ont.

DEBENTURES FOR SALE

TENDERS will be received by the undersigned up until 12 o'clock noon, Saturday, June 2nd, for the purchase of $50,000.00 5½ per cent. County of Peel Bonds. Limit ten years from date of issue. The highest or any tender not necessarily accepted.

D. KIRKWOOD, Peel County Clerk, Brampton P.O.

PROVINCE OF QUEBEC MUNICIPAL BONDS

Yielding 5½% to 6

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This does not preclude their selection by investors of large sums, large numbers of whom hold them for many thousands of dollars.

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Paid-up Capital and Reserve Fund
ELEVEN MILLION DOLLARS
ESTABLISHED 1855

FIELD OF MUNICIPAL FINANCE

QUEBEC'S MAYOR VETOS BUDGET OF LAST WEEK

Exercises a Power Rarely Used to Prevent Incurring a Deficit.

Latter Granted to City to Raise Loan to Meet Last Year's Deficit on Understanding Would Not Be Another.

Somewhat of a sensation was occasioned last week when Mayor Lavigueur announced that he had decided to avail himself of the right given him by the city charter to veto the report of the civic finance committee recommending to the city council that budget recently passed by the city council amounting to $1,550,000. In taking this action, the Mayor stated that he was led to do so as a matter of principle. At the last session of the Legislature, when the city asked for power to borrow to meet the deficit of the previous year, it was on the understanding that the city finances would in future be administered within the limits of the revenue. The budget just voted would leave a considerable deficit for the operations of the year just commenced, and the Mayor did not think that the council was justified in taking the action it did.

"I believe, moreover," continued the Mayor, "that the spirit of the city charter is the most simple notion of a wise municipal administration, not permitting us to contract obligations that we know we cannot meet with the actual income. I cannot accept in advance a deficit. The city of Quebec knew in the past how to maintain its credit; it is not right, when others are giving a prudent example of economy and retrenchment, that we should administer the city in a manner which our means will not permit.

Mayor Lavigueur believes that at least $1,600,000 should be provided in the budget, and to raise the amount every economy should be practised.

A meeting of the council was scheduled for last night to consider the Mayor's veto. If a vote were taken, it would require a two-thirds majority to annul the veto.

VICTORIA'S TAX RATE.

British Columbia City Has Smaller Assessment This Year.

The city of Victoria, B.C., will be in the position this year of having a higher tax rate and a lower revenue therefrom. The general assessment on land has been reduced from $70,-189,330 to $53,694,822. In addition expenses have been cut by $50,000. The tax rate will be 23.14 mills on the dollar, or about a mill more than last year. Taxes will be due on September 29, and a reduction of one-sixth mill will be allowed for payment before November 30. The 1917 rate is made up of general purpose, 9 mills; interest and sinking fund on general debt, 8.60 mills; interest on sinking fund and school debt, 1.75 mills; board of health and hospital, .84 mills; school, 2.95 mills.

MUNICIPAL FUEL.

Nova Scotia Towns and Cities Empowered to Establish Yards.

During the recent session of the Nova Scotia Legislature a bill was passed enabling any city or town in the province to establish a fuel yard, to purchase fuel and to sell the same to the public. The new highways bill provides for the appointment of a commissioner, the abolition of statute labor and the placing of a tax of one million dollars on all cities and towns within the province. The province itself will impose taxes on long distance telephone calls, on theatre tickets and excess profits on telephone and tramway companies and on timber lands.

TRAIL'S POSITION.

Town in Good Shape, With Taxes Well Looked After.

On May 22, the ratepayers of Trail, B.C., will vote on a by-law to raise $880,000 for extension to the waterworks plant. In this connection it is interesting to note the sound shape in which the city's finances are at present. Last year the tax collection, both current and arrears, totalled $16,007, while arrears carried over the first of the present year amounted to the comparatively small sum of $4,727. Very few western cities can exhibit as small a proportion of arrears to collections as this. The city was able to meet its obligations during the year except about $200, which remained as a bank overdraft at December 31, 1916, and $4,219 accounts payable. These are amply secured by tax arrears.

During 1916, the debenture debt of the city was increased by $11,500, and now stands at $51,500. The civic assets have been enlarged from $90,695 to $124,230, and the surplus now stands at $67,675, as compared with $49,994 at December 31, 1915.

VALUABLE HAND BOOK.

Toronto Bond House Issues Manual of Canadian Municipal Statistics

The 1917 edition of Wood, Gundy & Co.'s valuable compilation, "Canadian Municipal Statistics," has made its appearance and those responsible for its production must be complimented on the results of their efforts. In its strong binding and convenient shape, the little volume makes a very useful reference book, which will be appreciated by all those persons and firms interested in the buying and selling of municipal bonds.

The new edition is an improvement on the previous issue, made two years ago, in that a considerable larger number of municipalities are included. In fact, the compilers announce that statements from practically all borrowing municipalities in Canada are now contained in the book. The inclusion of a series of well-executed maps of the several Canadian provinces lends additional value to the new volume, and the summary of municipal law prepared by Alexander Bruce, K.C., which was a feature of the 1915 edition, has been revised and enlarged to cover the laws of three additional provinces.

SLIGHT FALLING OFF.

Profits on Operation of Saskatoon Utilities Less Than Last Year.

For the first quarter of 1917, the city auditor of Saskatoon reported a decline in the net surplus on the three public utilities of this city from $11,-096 in 1916 to $9,248 in 1917. The electric light and power department showed a profit of $13,838, which compares with $13,485 in 1916. The profits on the operation of the street railway was $816 as compared with $2,840 last year. The loss on the water department was $5,406, which is explained by the extra cost of maintaining services during the winter months. This amounted to $6,005, which is $3,500 more than in 1916.

B.C. TAXES

More Being Made to Raise Exemptions for Income Tax.

The new taxation bill as proposed by the provincial government continues to prove an absorbing topic of discussion in Vancouver. Last week a proposal was made that the income tax exemption be raised from $1,000 to $1,500. Although in the new taxation bill, the government does not propose adding any surtaxes upon incomes over two thousand per year, no steps have been taken to provide any measure of relief for incomes of wage earners receiving only moderate salaries.

The increase in the cost of living is given as the reason for the increase from $1,000 to $1,500. Conditions are also arising in connection with patriotic contributions which affect incomes in addition to the tax as levied by the provincial authorities. One of the large labor unions recently passed resolutions asking that the exemptions be raised to $2,000 instead of $1,000 as formerly.

Hespeler tax rate will be 30 mills, an increase of 4 mills over 1916. The increase is largely due to the requirements of the patriotic fund and the large county rate.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

May 15, Niagara-on-the-Lake.—$14,-964,78 in 5½ per cent. debentures of the town of Niagara, maturing in varying amounts from 1926 to 1937.

May 17, Welland.—$40,000, 5½ per cent., 20-year, hydro-electric bonds of the town of Welland. Jean T. Robertson, town treasurer, Welland. (See announcement, page 12).

May 18, Trenton, N.S.—$40,000, 5 per cent., 20-year sewer debentures, dated June 1, 1917, and $10,000, 5 per cent., 20-year water debentures, dated July 2, 1917. Wm. Fraser, town clerk, Trenton, N.S.

St. John's, P.Q.—$150,000, 5-year, 5 per cent. waterworks debentures issued under special act of the Quebec Legislature. J. H. Raymond, city clerk, St. John's P.Q. (No date set for considering applications).

May 21, Matheson.—$5,000, 5 per cent. bonds, guaranteed by the Province of Ontario. Frank E. Ginn, town clerk. (See particulars, page 12).

May 21, Alberta Schools.—$41,150 in three blocks of school district debentures—(1) Grand Prairie S.D., $12,000, 7 per cent., 20-year; (2) Barnwell Consolidated S.D., $20,000, 6½ per cent., 20-year and (3) Miscellaneous, $9,150, 7 per cent., 10-year. M. C. Elliott, manager, Debenture Branch, Department of Education, Edmonton.

May 24, Listowel.—$20,000, 5½ per cent., 30-instalment school debentures and $15,000, 5 per cent., 15-instalment loan debentures. W. E. Binning, Town Treasurer, Listowel (see announcement, page 12).

June 2, Peel County.—$50,000 5½ per cent. ten-year bonds of the County of Peel. D. Kirkwood, County Clerk, Brampton, Ont.

BY-LAWS TO BE VOTED ON.

May 14, Tilsonburg.—$10,000 by way of loan to the Tilsonburg Foundry & Machine Co., Limited.

May 15, Kincardine.—$20,000 to assist J. B. Watson to establish a furniture factory. Vote to be taken May 15.

May 21, Davidson, Sask.—$8,000 for the construction of a new school and $4,500 for power house improvements.

May 21, Mitchell, Ont.—$10,000 for the purpose of macadamizing certain streets and $400 for the purchase of a site for a knitting factory for A. Burritt & Co.

May 22, Trail, B.C.—$80,000 for extensions to the waterworks plant.

May 31, Brockville.—$5,000 to be raised by the issue of 5-year, 5 per cent. bonds for the purchase of Victoria Park.

BY-LAWS PASSED OR DEFEATED.

North Bay—$15,000 guarantee of bonds of the Quinlan Manufacturing Company, passed by the ratepayers by large majority on May 7.

Sudbury.—$2,500 for alterations to lake sewer pumping station and $46,000 for stand-pipe and auxiliary main. Passed by the ratepayers, April 30.

Cramahe Council.—$10,000 to meet the requirements of the Cramahe Municipal Telephone System. Passed by council, April 27.

SASKATCHEWAN.

The following is a list of debenture applications granted by the local Government board from April 23 to April 27:—

School Districts.—Middle Valley, $1,800; Nipawin, $800; *Narrow Lake, $1,400; Longdale, $1.850; Murphy, $1,200; Fraternity, $1,900; *Stornoway, $2,000.

*Being sold by the local Government board.

Rural Telephone Companies.—Twin Buttes, $5,200; Willows, $16,000; Ethelton, $2,300; Rosemound, $8,600; Annaheim, $11,000; Davin, $2,400; Rainton, $1,000; Bethune South, $3,300; Pasweqian, $2,700; Disley, $8,200; Silton North West, $6,400.

Cities.—Saskatoon, $23,000.

Village of Admiral, $1,500.

BOND SALES.

$2,700 Can. Cement at 97¼ to 97; $1,000 Can. Consol. Rubber at 95; $500 Can. Cottons at 82½; $1,700 Cedar Rapids at 89; $500 Dom. Coal at 93½; $5,900 Dom. Cotton at 98½; $5,000 Dom. Iron at 87; $250 Dom. Textile, Series A, at 98; $1.000 Dom. Textile, Series C, at 98½; $4.700 Montreal Trams. debs. at 75; $1,000 Steel of Canada at 99½ to 99; $3,000 Winnipeg Elec. at 98¾; $3,700 Wayagamack at 84¾ to 84; $68.300 1st War Loan at 97½ to 97; $19.800 2nd War Loan at 96 to 95¾; $187,214 3rd War Loan at 95⅝ to 94⅝.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALE

Date	Place and Jurpose	Purchaser	Rate	Term	Amount	Price	Basis
April 27	Jasmin S. D., Sask.	Nay & James, Regina	.....	....	$1,200	.....	.....
" 27	Wheatley S.D., Sask.	Goldman & Co., Regina	.....	....	1,200	.....	.....
" 27	Elardee S.D., Sask.	W. L. McKinnon & Co., Regina	8%	10-ins.	1,600	.....	.....
" 27	Deer Horn S.D., Sask.	Grand Lodge A.F. & A.M., Regina	7%	10-ins.	1,600	.....	.....
" 27	Trafford Park S.D., Sask.	Grand Lodge A.F. & A.M., Regina	7%	10-ins.	1,600	.....	.....
" 27	Oak Plains S.D., Sask.	W. L. McKinnon & Co.	7%	10-ins.	1,600	.....	.....
" 27	Haverhill S.D., Sask.	H. O'Hara & Co., Toronto	.....	....	1,600	.....	.....
" 27	White Eagle S.D., Sask.	Nay & James, Regina	.....	....	1,200	.....	.....
" 27	Anerold R. T. Co., Sask.	H. O'Hara & Co., Toronto	7%	15-ins.	8.400	.....	.....
" 27	Smiley Western R. T. Co., Sask.	Regina Public School Sinking Fund	7%	15-ins.	2.500	.....	.....
" 27	Rhein R. T. Co., Sask.	Regina Public School Sinking Fund	7%	15-ins.	3.300	.....	.....
" 27	Cypress R. T. Co., Sask.	W. L. McKinnon & Co., Regina	7%	15-ins.	10.500	.....	.....
" 27	Pleasant Hills R. T. Co., Sask.	H. O'Hara & Co., Toronto	7%	15-ins.	8.000	.....	.....
" 27	North Springside R. T. Co., Sask.	Nay & James, Regina	7%	15-ins.	3.300	.....	.....
" 27	Edenland R. T. Co., Sask.	W. L. McKinnon & Co., Regina	7%	15-ins.	9.200	.....	.....
" 27	Steelman R. T. Co., Sask.	Nay & James, Regina	7%	15-ins.	11,800	.....	.....
" 27	Heavyland R. T. Co., Sask.	W. L. McKinnon & Co., Regina	8%	15-ins.	400	.....	.....
" 27	Fox R. T. Co., Sask.	J. A. Thompson, Winnipeg	7%	15-ins.	5.200	.....	.....
May 3	Kitchener, Ont., locals and schools	C. H. Burgess & Co., Toronto	5½%	various	66,698	98.57	5.82%
" 5	Renfrew, Ont.	A. H. Martens & Co., Toronto	6%	20-30-ins.	11,533	100.38	5.98%
" 5	Etobicoke Township, schools	Imperial Bank, Toronto	6%	20-ins.	4,000	102.32	5.75%

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OVERDRAFTS

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Men's Wear Review	(Monthly—$1.00)
Canadian Machinery	(Weekly—$3.00)

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F. D. WILLIAMS, Managing Director.
A. C. McMASTER, K.C. S. G. M. NESBITT, H. N. COWAN.
W. T. KERNAHAN, G. H. WILLIAMS.
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CANADIAN NORTHERN

INVESTORS' INSURANCE NOTES

BRITISH FIRE COMPANIES IN UNITED STATES

Results of 1916 Business Are Analyzed by London Economist.

GENERAL SHOWING GOOD

Losses Paid Were 51.8 Per Cent. and Expenses 37.3 Per Cent. of Net Premiums, Leaving Surplus of 10.9 Per Cent.

An examination of the results of last year's operations of British fire and marine companies, in the United States has been made by the London *Economist*, based on reports prepared for the Superintendent of Insurance of New York State. The full detailed figures were not available, but sufficient were secured to give a general idea of the situation.

The British companies, according to the *Economist*, vary in their procedure. Some few work direct through their American branches only. Others, the majority, add to their own branches the ownership of separate subsidiary American companies, some acquired by purchase, others founded by themselves. For example, the Commercial Union, which is now second only to the Royal in the size of its business, owns the Commercial Union of New York and the California (San Francisco), in addition to its English subsidiaries, the Union and Palatine. The London and Lancashire Fire owns the Orient of Hartford, and has founded recently the Safeguard of New York. The Mercantile of America, now a large company, is an offshoot of the North British and Mercantile. The Royal combines its forces with those of the Queen of America and the Royal Indemnity of New York. The Caledonian, the Phoenix, the Liverpool and London and Globe, in similar fashion, have their local subsidiary companies.

The *Economist's* article proceeds as follows:—

"In preparing the table which follows, we have taken most of these subsidiary concerns into account, though not quite all of them, since in some few not very important instances the figures are not available. The omissions are not sufficient to affect the general results. We have included in the present survey marine insurance figures with those of fire insurance in the cases of those companies, now the majority, which transact both kinds of business. It is the practice nowadays with the large companies to pool their expenses in America so that it is not possible, in the absence of more detailed statements, to give separate results for fire and marine insurance on the other side which would not be misleading. The great bulk of the business covered by the following figures is, of course, fire insurance.

British insurance results in America during 1916:—

	Net Premiums £	Losses Paid £	%	Expenses £	%	Surplus £	%
Atlas	387,276	197,449	51.0	157,188	40.[illegible]	32,588	8.4
Caledonian	288,758	156.550	54.2	115,891	40.1	16.317	5.7
Commercial Union*	2,407,917	1,383.639	57.5	880.512	36.6	143,766	5.9
Law Union and Rock	94,898	47.741	50.3	38.351	40.4	8,806	9.3
Liverpool, London & Globe*	1,970.808	1,096.337	55.6	670.577	34.0	203.891	10.4
London and Lancashire*	1,023.298	509.208	49.8	406.679	39.7	107.411	10.5
London Assurance*	716,861	287.380	40.1	252.331	35.2	177,153	24.7
North British*	1,259,279	651.593	51.8	510.516	40.5	97.170	7.7
Northern	657,784	325,016	49.4	253.767	38.6	79.001	12.0
Norwich Union*	439,183	221,679	50.5	176.105	40.1	41.399	9.4
Phoenix*	690,152	352.479	51.1	283.033	41.0	54.640	7.9
Royal*	3,214.360	1,583.153	49.2	1,124.998	36.0	506.209	15.8
Royal Exchanges*	479.881	222.982	46.5	175.253	36.5	81.646	17.0
Scottish Union & National*	532,651	281.075	52.8	209.527	39.3	42.049	7.9
State	40.195	16,147	40.2	15.873	39.5	8.175	20.3
Sun	508,280	267.873	52.7	214.679	42.2	25.728	5.1
Yorkshire	125,605	67,520	53.8	53,757	42.8	4,328	3.4
Total	14,837,138	7,667,621	51.8	5,519,037	37.3	1,630,280	10.9

*Including marine insurance.

"Last year was not unfavorable for fire insurance operations in the United States. The risks in America are far greater than in this country. Measured by premiums charged—and the low average of profits earned, taking one year with another, shows that they are far from being excessive—the risks offset one with another are six times as great in the United States as in the United Kingdom. There the average fire premium paid is about one guinea per cent.; here it is about 3s 6d. There was a big fire, costing over two millions sterling, in Jersey City, but a conflagration upon this scale is expected, and allowed for every two or three years. The Jersey City fire was a mere nothing in comparison with the San Francisco fire of 1906, which cost the insurance companies of England and America £35,000,000, or even with the Baltimore fire of 1904, which cost seven millions. The general results were good. A total revenue in net premiums of £14,837,138 showed paid losses of 51.8 per cent., expenses of 37.3 per cent., and a surplus of £1,630,280, or 10.9 per cent. of the net premiums. There was no great expansion of premiums to dig deeply into this surplus as a necessary provision for increased reserves against unexpired risks.

Royal's Exhibit

"Among the big companies the Royal has produced what our American Allies would call a 'phenomenal exhibit.' With a premium income of nearly three and a quarter millions sterling (sterling, not dollars) the Royal shows a surplus of over half a million, or 15.8 per cent. Nearly a third of the total surplus for the 17 companies has been produced by the Royal alone. Of the Royal's surplus, £400,000 are fair profit, since the increase in premiums of almost exactly £200,000 would not require more than the odd £106,000 as the provision for unexpired risks when the expenses had been charged up. It is obviously more difficult for a very large company, which necessarily is in the open market for the general run of risks, to make an exceptional profit, than for a small special one, yet this feat was accomplished by the Royal in America in 1916. The Liverpool and London and Globe, with its surplus of £203,894, or 10.4 per cent., nearly approached the average result, as did the London and Lancashire Fire, with its £107,411, or 10.5 per cent. The Commercial Union, whose loss ratio was rather high in comparison with the general average, the North British and Mercantile, whose expense ratio was high for its size; the Phoenix, the Scottish Union and National, and the Sun (a purely fire company) were below the average, owing chiefly to their high rate of expenditure. It is easier for a big company to keep its ratio of expenditure upon a low percentage scale than for one whose premium income is moderate or small, and this condition of business in America should always be borne in mind.

The London Assurance.

The most successful company of all during 1916 was the London Assurance, whose fire and marine premium income of £716,864 yielded the handsome surplus of £177,153, or 24.7 per cent. The premiums showed a substantial increase, but the most liberal sweating of them for risks still to be run off does not reduce this surplus by more than £60,000. The loss ratio of 40.1 per cent. was much the lowest of all the larger companies, and is even smaller than that of the little State Company, with its tiny specialized business. One may attribute some of the success of the London Assurance in America to the brilliant results of its marine department, to which attention was called in our columns a week or two ago. The Royal Exchange, a sister of the London Assurance—both were founded during the South Sea Bubble of 1720—has also done well. A premium income of £479.881 yielded a surplus of £81.646, or just 17 per cent. The increase in premiums accounts for some £39.000. The Northern's results, unassisted by marine premiums, are also well above the average. During the current year the Northern, by its purchase of the Indemnity Mutual Marine, has joined the ranks of the fire and marine offices.

Uneventful Year.

The year in America was an interesting one if rather uneventful—insurance offices do not like exciting incidents, they are much too costly—and the figures which we have given show what a large stake our leading fire and marine companies have in the United States. They have made good there by sheer merit, and after standing up as they did to the huge losses of the San Francisco fire of 1906, they deserve the success of quiet years, so as to get a little of their own back. In the range of their business the Royal and Commercial Union surpass all native American companies except the Hartford and the Insurance Company of North America (which dates from the remote ages, for America, of the Eighteenth Century).

MAKING BIG GAIN.

Imperial Life is Exceeding Its Past Year's Good Record.

New business issued by the Imperial Life Assurance Company during April amounted to $1,337.000, an increase of $548,000, or 72 per cent. During the four months ending April 30, this company issued new business amounting to $4.734.556, compared with $2.769.217 in the same period of 1916, or an increase of nearly 71 per are strengthening their financial posi- cent. This company has now in force a total business amounting to $58,-460.786, compared with $55.004.150 on December 31 last. These figures show that terminations were low compared with new business underwritten.

VISITS COAST.

Equitable Life Inspector Has Been in Vancouver Recently.

According to a statement made last week, by Mr. Gerald F. Brophy, Canadian inspector for the Equitable Life Assurance Society of New York, that company plans extensive improvements in its service on the coast. W. T. Tasker, the present manager, is returning to the other side and in his stead, Jas. H. Campbell has been appointed. Mr. Campbell is a good financial man, having been formerly connected with the Molsons Bank and the Mutual Life of Canada.

Since his last visit a year ago, Mr. Brophy says that he notes many changes which are an indication of changing financial conditions, and for the better. According to his observations, the retail merchants as a whole tions as a result of increased business and are consequently in a much sounder condition than formerly. He had noted, too, that houses, formerly vacant, were now in greater demand, and that the principal apartment and business blocks were filling, with a tendency to increased prices. Before leaving the city he stated that he considered the outlook for the mining, lumbering, fishing and canning industries as most promising for the future.

PRIZE FOR ESSAY

President of North American Life Offers Cup to Underwriters

L. Goldman, vice-president and managing director of the North American Life Assurance Company, has offered the Life Underwriters' Association a handsome cup valued at $100 for the best essay on salesmanship. The cup will remain the property of the Association, but may be held by the winner from the date of award till the time of the next convention. A miniature of the cup will be awarded to the winner each year.

TO GUARANTEE LOSSES

Hail Insurance Rates in Alberta to be Raised This Year

During 1916, the Hail Insurance Board, organized under the municipal co-operative hail insurance act of Alberta, was unable to pay all its awards. To prevent a recurrence of such a situation, the act was amended at the last session of the Legislature and, instead of imposing a flat rate on all assessable lands, the Board has now the power to impose a flat rate on all assessable lands of five cents an acre, and an additional rate on all lands under crop such as will be sufficient to pay all hail losses for the year, administration expenses, and unpaid awards of previous years. This amendment, it is stated, places the business of the Hail Insurance District on a solid footing.

To provide for the unpaid losses of $262,000 incurred last year, an act was passed empowering the Government to guarantee the payment of the promissory note or notes of the Insurance Board for this amount. Any sum so borrowed, with interest thereon, is to be repaid out of the proceeds of any rate levied or to be levied for hail insurance under the provisions of the Municipal Co-operative Hail Insurance Act.

FIRE INSURANCE DIVIDENDS

Statistics Show That They Are Not Paid at Expense of Reserves

A very interesting tabulation was published recently by the Spectator of New York, showing for a period of ten years, 1907-1916, inclusive, figures in connection with practically all the fire companies doing active business in the United States. It has been a favorite practice of superficial observers to criticize the methods of the fire companies, claiming that their dividends to stockholders are an evidence that the premium rates for fire insurance are too high. The tabulation now published by the Spectator clearly demonstrates that this assumption is not correct. It shows that the investment earnings of 95 millionaire companies not only paid all dividends to stockholders in the last decade, but contributed $50,522,640 toward making up the deficiency in the underwriting account or the strengthening of surplus funds. This shows that the underwriting earnings were not drawn upon for the purpose of paying dividends, but were allowed to accumulate for the protection of policyholders, and that, therefore, the criticism referred to has no sound foundation.

The tabulation shows further that above and beyond the excess of investment earnings over dividends, stock holders have contributed to surplus funds either by payment of assessments, by premium on new stock issued or by reduction of capital stock the sum of $16.973,601, making a total of $67,496,241 in excess of dividend payments earned by investments or contributed by stockholders. In the cases of 49 of the 95 companies the sums so added to surplus were larger than the amounts disbursed for dividends. As a matter of fact the underwriting operations of many of the companies have resulted in a very slight margin of profit during the last decade.

The action of the Brandon City Council in amalgamating the fire and police departments with the object of reducing the staffs for economic reasons did not meet with the approval of the business men of the city. There is a rumor that the Fire Underwriters' Association will object to any reduction in the fire-fighting forces of the city, and should such an action be taken they will immediately increase the insurance rates in Brandon.

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REAL ESTATE AND MORTGAGES

RECESSION IN PERMITS DURING PAST MONTH

Owing to Poor Showing of Winnipeg, Total for April Falls Off.

MOST CITIES RECORD GAINS

Total For the First Four Months of the Year is Well in Excess of 1916 Record

Had it not been for the fact that building permits issued in Winnipeg during April amounted to only $148,-350, as compared with $672,200 in April, 1916, the record of Canadian cities in the matter of building would have been entirely satisfactory for the past month. As it was the decrease in Winnipeg wiped out all the gains in other cities reporting and left the Dominion with a loss for the month of $35,973. This reduced the gain for the first four months of the year to $2,268,042. However, the good showing made by other cities indicates that the improvement is general and the Winnipeg decrease is to be regarded as merely a temporary set-back.

Gain in Majority.

Of twenty-nine Eastern cities reporting, sixteen shared gains in April and thirteen, losses. The largest gain was made by Montreal, where permits reached a total of $622,940, comparing with $435,805 in April, 1916. Toronto, with permits of $594,652, had the second largest gain, the 1916 figure being exceeded by $137,006. Fort William stood third, with a gain of $76,025 and Hamilton fourth, with $73,895 to the good. The largest decline was shown by Sudbury, which went back to the extent of $63,950. Quebec, with a drop of $47,397, and Westmount, with $45,288, came second and third respectively.

For the four months ending April 30, Toronto leads with total permits of $1,977,557, a gain for the year to date of $856,122. Montreal takes second place with $1,618,860, a gain of $699,635. Hamilton is third with $746,105, though its gain of $293,715 is exceeded by two other cities. St. John, Quebec, Ottawa, Windsor and Port Arthur all have substantial gains this year, the total of gains for eastern cities reaching the goodly total of $2,578,552.

Western Cities.

Western cities are not making as favorable a showing. As already mentioned, Winnipeg experienced a bad set-back in April and for the four months, permits have fallen off by $353,000. The Saskatchewan cities did better. Of the four places reporting, all record gains. Regina is ahead for the four months by $43,290 and Saskatoon by $13,265. Edmonton is the only large city to report from Alberta. Building there is evidently very slack for April permits only a mounted to $8,350. For the four months, the total was $16,-950, a drop of $35,560. British Columbia cities, with the exception of New Westminster, are ahead and Victoria had a gain of $8,070, bringing its four months' business ahead by $6,185.

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WANT RELIEF.

Workingmen in Montreal Would Like Moratorium Enacted.

A move in favor of petitioning the government to declare a moratorium has been started among the working classes of Montreal, especially in the outlying wards, annexed to the city during the past ten years, where real estate and building were brisk until the war began.

Hundreds and thousands of workingmen during the period between 1905 to 1912 bought building lots in the then adjacent municipalities of the city, such as Ville St. Louis, Villeray, Cote St. Michel, Bordeaux, Rosemount, Longue Pointe, etc., on the instalment plan, and have been able so far to meet their payments. They are now said, however, what with the ever increasing cost of living, to have reached a point when the Government will either have to grant a moratorium, or see them lose what they have paid on account, in most cases about two-fifths or three-quarters of the total indebtedness.

The agitation for a moratorium is especially pronounced in the north end of the city, in St. Denis, Ahuntsic-Bordeaux and upper Delorimier ward. David Giroux, a well-known labor leader, of the north end and an ex-candidate at municipal and provincial elections, is organizing a meeting to be held shortly in St. Denis ward.

SWIFT CURRENT.

Revival of Interest in Both Inside and Farm Properties.

Newspaper reports from Swift Current indicate a solid revival of real estate activity in that city and vicinity. Several transactions in residential property have taken place. For a long time there was no movement of this sort, but now a demand both to buy and rent has developed that cannot be met. It is expected that several houses will be erected this summer.

A number of farms have been sold in various portions of the district during the past two months to Americans from North Dakota and Minnesota, and two or three men from Iowa and Wisconsin. The dealing in farm lands is described as highly satisfactory and encouraging, and local dealers feel the district is due for a big agricultural boost once the war is over.

OAKVILLE.

More Residential Buying by Toronto People at This Point.

Property continues to move in Oakville, and there have recently been several sales to Toronto people, who purpose moving out to this point to live. One of the most important transactions of the season has been the sale to W. T. Stirling, managing director of the Harry Webb Co., Toronto, of the Head property on the Toronto-Hamilton Highway, west of the town. A residence will be built by Mr. Stirling on the property, which will be tastefully laid out. Another recent sale has been the residence of A. F. Ford, on Douglas ave., to J. P. Mackid, electrical superintendent of the Toronto Exhibition. The residence and grounds of I. Warcup, on Colborne street east, have been sold to Mr. Walsh, of Toronto.

NORTH SYDNEY.

Two Fireproof Business Blocks to be Erected Here.

Work on the construction of a large two-story brick and concrete building on the corner of Commercial street and Archibald avenue, in North Sydney, will be commenced shortly. This is one of the finest sites for a business block in the town. The principal owners are W. S. Thompson and L. P. Christie, who have for some time contemplated the erection of a fire proof building. It is understood that there will be at least three stores besides offices above. Mr. Christie will also start work of erection of a brick and concrete block on the site of the recent fire, near the old cable office on Commercial street. Both blocks will be fire proof.

IMMIGRATION INCREASES.

So Far This Year Arrivals in West Have More Than Doubled.

The immigration of American farmers into the Canadian West is again reaching large proportions. For the first four months of 1917, 15,445 settlers and farm laborers entered the country. Records show that they carried $2,344,439 in cash. During the same period, 2,126 homestead entries have been made, of which 344 were in Manitoba, 720 in Saskatchewan and 1,062 in Alverta.

Compared with last year, the showing is most gratifying. For instance, during the week ending May 1, 1279 persons registered, whereas for the corresponding week of 1916 only 528 entered. The amount of cash brought in, however, was not as large, being $110,831 in 1917 and $128,774 in 1916. On the other hand, the value of effects was greater, amounting to $28,280, as compared with $17,115 in 1916.

BUILDING PERMITS FOR MONTH OF APRIL

EASTERN CITIES.

	April, 1917	April, 1916	Change	4 months, 1917	4 months, 1916	Change
MARITIMES—						
Halifax	$ 70,935	$ 95,924	— $ 24,989	$ 188,000	$ 141,716	+ $ 46,284
St. John	24,500	46,800	— 22,300	388,000	81,600	+ 306,400
Sydney	37,915	10,900	+ 27,015	64,718	16,545	+ 48,173
QUEBEC—						
Montreal	622,940	435,805	+ 187,135	1,618,860	919,225	+ 699,635
Westmount	2,100	47,388	— 45,288	9,265	63,568	— 54,303
Quebec	219,798	267,195	— 47,397	613,160	455,581	+ 157,579
Lachine	21,863	21,395	+ 9,468	245,123	488,407	— 243,284
ONTARIO—						
Brantford	13,430	17,325	— 3,895	34,505	28,310	+ 6,195
Chatham	7,350	23,750	— 16,400	15,875	40,120	— 24,245
F. William	114,475	38,450	+ 76,025	117,825	242,335	— 124,510
Galt	24,375	13,375	+ 11,000	32,310	18,360	+ 13,950
Guelph	19,995	21,812	— 1,817	37,564	24,227	+ 13,337
Hamilton	364,490	290,595	+ 73,895	746,105	452,390	+ 293,715
Kitchener	76,497	50,495	+ 26,002	95,027	58,185	+ 36,842
Kingston	32,443	30,251	+ 2,192	47,823	47,711	+ 112
London	84,290	82,550	+ 1,740	163,330	160,765	+ 2,565
North Bay	......	3,000	— 3,000	1,150	3,450	— 2,300
Ottawa	141,150	89,175	+ 51,975	285,475	246,075	+ 39,400
Peterborough	18,910	39,815	— 20,905	48,905	48,195	+ 710
Sudbury	1,800	65,750	— 63,950	18,300	70,325	— 52,025
St. Catharines	83,072	98,775	— 15,703	135,820	134,785	+ 1,035
Stratford	32,250	31,446	+ 804	56,593	49,235	+ 7,358
Welland	53,469	20,086	+ 33,383	95,299	30,124	+ 65,175
Woodstock	18,609	25,206	— 6,597	28,796	30,481	— 1,685
Windsor	168,740	157,250	+ 11,490	352,905	157,250	+ 195,655
Toronto	594,652	457,646	+ 137,006	1,977,557	1,121,435	+ 856,122
Owen Sound	17,500	500	+ 17,000	......	......	......
Port Arthur	105,953	49,440	+ 56,513	349,099	55,337	+ 293,762
Preston	1,800	7,000	— 5,200	5,000	8,100	— 3,100
Total 29 E. cities	$2,975,301	$2,530,099	+ $445,202	$7,772,389	$5,193,837	+ $2,578,552

WESTERN CITIES.

	April, 1917	April, 1916	Change	4 months, 1917	4 months, 1916	Change
MANITOBA—						
Winnipeg	$ 148,350	$ 672,200	— $523,850	$ 386,700	$ 739,700	— $ 353,000
ALBERTA—						
Edmonton	8,350	16,710	— 8,360	16,950	50,150	— 33,560
Red Deer	......	75	— 75	......	75	— 75
B. COLUMBIA—						
Kamloops	8,200	......	+ 8,200	8,325	......	+ 8,325
Victoria	19,205	11,135	+ 8,070	26,205	20,020	+ 6,185
N. Westminster	3,565	5,155	— 1,590	25,570	11,810	+ 13,760
Oak Bay	......	......	......	460	9,500	— 9,040
SASKATCHEWAN—						
Regina	36,000	9,500	+ 26,500	58,090	14,800	+ 43,290
Yorkton	9,390	5,310	+ 4,080	......	......	......
Saskatoon	7,575	5,700	+ 1,875	21,815	8,550	+ 13,265
Weyburn	4,375	400	+ 3,975	9,875	9,535	+ 340
Total 11 W. cities	$ 245,010	$ 726,185	— $481,175	$ 553,990	$ 864,500	— $ 310,510
Gr. total 40 cities	$3,220,311	$3,256,284	— $ 35,973	$8,326,379	$6,058,337	+ $2,268,042

MONTREAL.

Comment of Real Estate Men on Moving Week Results

Reporting on the results of moving week in Montreal, one real estate man states that all his apartment houses are filled and he has still a long waiting list for autumn. Rents, if anything, are higher, particularly so for apartments. The only houses that are really slow are the old-fashioned houses with basement and three storeys. Modern houses in Westmount have sold well.

"Out of a thousand different items of real estate on our books," stated another agent, "not one per cent. are left vacant." In his experience rents have increased slightly in all lines. The increased cost of building materials is interfering with building and reducing the supply.

Cradock Simpson says, "Possibly there were fewer people moving this year than usual, as everyone is forced to economize these days, and moving is an expensive luxury. Rents are about the same in most cases, except where they were greatly reduced at the beginning of the war. Thus, the owners of these flats and apartments are trying to bring the rents back to normal.

"I hear of some flats still vacant in the northern end of the city, but the central districts are pretty well filled up. There are a fair number of offices still unlet, also warehouses and factory floors. On the whole there is little buying and selling going on. Vacant lots are dull, as contractors are finding difficulty in obtaining investors for a real estate proposition. However, we look for things to pick up again at the close of the war."

LEGAL AFTERMATH

Mr. Justice Panneton Releases R. J. Leroy From $5,000 Subscription to Syndicate

A judgment of interest to legal real estate men was delivered by Mr. Justice Panneton, in the Montreal Superior Court in the action brought by R. J. Leroy against the J. A. Davis Company, Limited, for cancellation of a subscription of $5,000 which he had agreed to make to a building syndicate, and for return of $500 which he had paid on account. The Davis Company appeared and required the plaintiff to bring the Boulevard Building Company, Limited, which meanwhile had been incorporated, and which had taken over the syndicate's property and the subscriptions of the syndicate members.

The plaintiff contended that the Davis Company had induced him to become a member of the syndicate by showing him a list of subscribers for large sums, and had, afterwards, without his knowledge or consent, released several of the subscribers, thus making the syndicate agreement as originally outlined impossible of fulfilment. The plaintiff further stated that he had been misled by the Davis Company showing him a list of prominent men who were to form the board of directors of the company, but who later on refused to have anything to do with the company.

In his judgment, Mr. Justice Panneton found in favor of the plaintiff, holding that it was proved that he would not have subscribed but for the large subscriptions shown him; that the Davis Company had acted illegally in releasing them; and that they had been released when the anticipated success of the company had begun to be doubtful.

The Davis Company was accordingly condemned to pay Mr. Leroy $500 with interest from January 20, 1913, and his subscription was cancelled, with costs against both defendants.

Readers of the FINANCIAL POST will recall that the Boulevard Company, Limited, went into liquidation, and that things were in such bad shape that the liquidators were forced to call upon the creditors for the winding-up costs. The creditors lost the amount of their claims, and in addition to that, had to dig down into their pockets for expenses.

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WESTERN VIEW REGARDING FREE TRACTOR ISSUE

Mr. Marnock Asks Broad Consideration of National Issues.

ADMIRES CARRUTHERS

Attitude of "Wheat King" on Free Wheat Issue is Admired by President of Lethbridge Board of Trade.

THE POST does not endorse the tariff views of G. R. Marnock, president of the Lethbridge Board of Trade, who has written the following article, but it does believe that the East can better understand the West by considering the Western attitude which Mr. Marnock expresses in a broad and intelligent way.

It is highly encouraging to those of us in the West who have been craving the attention of the East to our joint interest in a national outlook on Canada's agricultural and industrial future to hear such an utterance as that by Mr. James Carruthers in your issue of April 28. "I cannot help looking upon the great North West as the backbone of Canada; and the more prosperous and contented the farmers are the sooner the country will be settled." Coming from a man of his undoubted business ability, these words are doubly encouraging.

The recent debate in the House on the farm tractor situation on the other hand, discloses the appalling ignorance of some of the Eastern members regarding the market for these now highly necessary adjuncts to farm operations One member, living in Hamilton, the home of such Canadian implements as are on the market, said that not one farmer in 2000 would use a tractor. Contrast this with the information that 200 small tractors have been sold and delivered this season in the Lethbridge district; that only three of these are of Canadian manufacture; and that $50,000 of protection in the shape of duties paid on the 197 American tractors was extended to our visionless manufacturers; and further, that the demand for tractors is far greater than the supply.

The present writer, in an article that appeared in one of your contemporaries in January said:

"An uneasy question suggests itself even now; as to whether a survey of our manufacturing forces might not disclose the uncomfortable finding that our domestic demands for manufactured goods are being neglected for the sake of getting big war orders; and whether it would not be the part of wisdom to let some war orders go to the United States, while we take care of the business offered in our own markets. For that is the business that will make the wheels go round after the war; and care should be taken that it is not diverted into other channels just now, from which it will be difficult to re-direct the flow."

This tractor manufacture is an actual case in point.

The broad views of Mr. Carruthers get an endorsement in the remarks that a merchant in a Western country town made the other day. He said a fellow merchant came to him in some alarm, and told him that the farmers' union was bringing in a carload of some heavy supply and wanted to know what his friend thought they should do about it. He replied, I want to get some of that myself for my own little farm, we have never been able to bring in a carload ourselves; I want some to keep in my store too, to sell to those who are not getting any in the car. And, he continued, this is something that will help to make this whole community more prosperous; if the community is prosperous there will be two or three more ways for you and me, John, to make a living, where we have a little less than one now.

Prices and Stocks.

Although the Western farmers sold the bulk of their 1916 wheat crop at prices around $1.25 and $1.50 per bushel (the farmers themselves have very little to sell at the present factitious values) nobody can foretell what the price may fall to after the war. The manufacturer, on the other hand, buys his material at a known price, and makes his selling contracts ahead, also at stated figures.

If we cannot shortly persuade ourselves that a great part of Canada's future welfare lies in the live stock and grain yields of the West, we are due to receive a great awakening. Two matters of extraordinary significance for Canada have not been even mentioned here yet, further than in bare news items. The first is that Great Britain has been aroused to the necessity of rapidly bringing back into grain cultivation the three million acres of arable land that have been gradually allowed to revert from cultivation to pasture during the last thirty years. The report by six or eight able men on the Departmental Committee on the employment of soldiers and sailors on the land produced and set out the information that has led to a proper appreciation of Great Britain's agricultural lop-sidedness; they also pointed the way out; and action has followed by the Government guarantee of established prices for wheat for the years up till 1921.

Agriculture in Great Britain.

Here is the first item:—We are now informed that this has already caused 300,000 acres of pasture in England, 50,000 acres in Scotland, and 500,000 acres in Ireland, to be put under the plow again. And it has been stated by Premier Lloyd George that the whole of the three million acres will be under cutivation by next year.

Here is the second item:—Henry Ford has been granted a license by the British Government to establish a factory in Cork, Ireland, for the production of 50,000 farm tractors per annum. They are to be made by American brains exported to England by cabled specifications, and British hands.

What does our Western farmer think of this? What does our Eastern manufacturer think of it? What significance does it hold for all Canadians?

Three million acres of land in Great Britain will easily produce 40 bushels an acre, under their methods of scientific cultivation and the application of fertilisers produced in their chemical works and gasworks, and brought to their doors from all over the World and laid down free of duty. Three million acres at forty bushels gives a crop of 120,000,000 bushels equal to half of Canada's exportable surplus in a good year.

Making Tractors in Ireland.

Fifty thousand small tractors a year, to help the British farmer in greater prouction; all made out of duty free material, by labor far cheaper than either American or Canadian.

It will require all, and more than all the advantages of our cheap Western lands, easily cultivated, to offset these factors.

Well for Canada that an open market for wheat now lies at our doors. And well would it be if our Western farmers could get their farm implements without a tax of $250 to $300 on each of the light tractors that they are paying $1,300 for. And most of these tractors are made in Milwaukee.

We may yet see this curious sight—Henry Ford making American-design farm tractors in a free-trade Ireland and sending them into Canada under an Imperial preferential tariff.

IN DIFFICULTIES.

School Commission in Quebec Finds Itself With a Deficit.

The school municipality of St. St. Gregoire le Thaumaturge, which refused to pay the interest on its debentures when the coupons fell due recently, is in difficulties. Grave irregularities have been found in the books of the commission, and the matter has been taken up with Sir Lomer Gouin. A stormy meeting of the commission was held on Monday night, at which charges were made, as a result of which the whole matter was laid before the Premier. What occurred at the interview with the Provincial Premier, who is also the Attorney-General of the Province, was not stated, but it is understood that the president of the commission, Mr. Coallier, admitted that many of the books of the commission, including three cash books, the books of receipts and other documents and vouchers were removed from the safe of the commission between March 24 and 26.

It is also stated that grave irregularities alleged against a former employee of the commission have resulted in a deficit of $33,000 in the accounts of the commission.

It is understood that Hon. L. A. Delage, Superintendent of Public Instruction, has been instructed to make a rigid investigation into the charges. He was flatly told that monies have been squandered without due consideration and judgment in connection with the building of school houses, etc. A detective agency has been employed to locate the books, and to ascertain who are the guilty parties.

The population of Barrie, as shown by the assessment returns, is 6,866, an increase of 400 over 1916. The total assessment has been increased from $3,991,410 to $4,195,527.

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CANADIAN BANK NOTES.

Methods By Which Circulation Is Effected.

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SPECIAL SECTION Pages 17 to 28

Loan and Trust Review and Outlook

THE FINANCIAL POST OF CANADA

THE CANADIAN NEWSPAPER FOR INVESTORS

VOL. XI. SINGLE COPIES, 10 CENTS. PUBLICATION OFFICE, TORONTO, MAY 12, 1917 ANNUAL SUBSCRIPTION, $3.00. No. 16

THE OUTLOOK FOR THE FUTURE SUPPLY OF MONEY FOR MORTGAGES

A Diminishing Demand for Mortgage Loans Has Been Indicated.

CANADA'S ATTRACTIONS FOR CAPITAL

Present Agricultural Prosperity Is The Best Kind Of Advertising To Induce The Investment Of Funds From Abroad When They Can Be Obtained.

IN CONSIDERING the question of procuring enough money to meet the demands for mortgage loans regard must be had for their probable volume. The Insurance Abstract just issued indicates that the life insurance companies in 1916 made loans to the amount of $4,857,671, and there was repaid of outstanding loans $4,458,073, the gain in this regard was, therefore, $400,000, a mere bagatelle in view of the fact that the total mortgage loans which the life companies had outstanding at the end of June, 1916, was $100,850,825. Practically all the regular loan companies in their statements show a slight decline in mortgages outstanding. Between 1911 and 1912 the increase in the mortgage investments of life companies was $12,000,000; in 1913, $12,000,000; in 1914, $8,000,000, and in 1915, $2,000,000.

What has happened in the form of the diminishing demand for mortgage loans in case of the life companies applies to practically every other institution engaged in the lending business. The borrowers are paying off their obligations rapidly and this has two undoubted effects; one being a sharp falling off in the demand for mortgage money and the other some slight weakening of the rates. The greatest deterrent to a further drop in rates is the cost of looking after loans which have not decreased. Inspecting, collecting and foreclosing costs are somewhat more to-day than formerly. For instance, the inspector cannot hire a livery team to-day to look after the delinquent as easily or at as low cost as he could a few years ago. Furthermore, wages and general administration expenses are higher. Under such circumstances, although the demand is at a minimum and payments on the whole have been well met, there are few companies in a position to place money at lower rates and maintain a rate of dividend commensurate with current values of money.

For the time being, therefore, the lender is not experiencing any appreciable demand for money nor is the rate being paid by mortgage borrowers attractive as compared with prices of high-class securities which can be handled at little cost and no risk. It is, however, of the utmost importance to the economic future of the Dominion that the lending organizations that have financed so much of its agricultural development should be maintained so as to be ready to give service when the cessation of war permits further development within the Dominion.

A Question of the Future.

The supply of money is really a question of the future. At present there exists an era of agricultural prosperity which the country has not hitherto enjoyed. Cost of labor, implements and other necessities of agricultural industries are extremely high, but they are not proportionately as high as are products of the soil. This era of high prices for the farmers practically will not end when the glad news of peace is heralded throughout the world. When the flood of labor from the factory and from the trenches is very largely released it will, to a considerable extent become available for land operations—in peace not war-pursuits. Meanwhile the herds of practically every civilized country, the organization for the handling of products of the fields and the markets through which they are directed to centres of consumption will have become very largely disorganized.

The result cannot be otherwise than that those countries which are well known as having large food supplies and food-producing capacity and whose lands and economic machinery have not been ravished by war, will be looked to for supplies and they will as a consequence, command a high price. This demand will sustain in Canada the era of agricultural prosperity for an indefinite number of years. It will be aided, as the war draws to a close, by better supply of labor available at lower cost. Before the labor result will accrue to the benefit of the farmers, "soup kitchen" periods may exist in urban centres and dire necessity only will destroy the hope of the wage-earner being able to remain in the city and receive wages necessary to an acceptable scale of living. We are now speculating to a certain extent, but nevertheless it seems to be reasonable grounds for anticipation that this era of prosperity will attract settlers to the lands and also immigration. Already our neighbor, United States farmer, has his eye upon the lands in Canada procurable at a nominal value. He knows that year after year despite seasonal disappointments they are more productive than the wild lands of practically every other country. This in itself is an attraction which doubtless will, when high wages in industrial centres cease to attract, inaugurate a new period of colonization and development of agricultural areas in Canada, and with that development there will come a demand for mortgage money.

Canada's Attractions for Capital.

Such a display as Canada is making to-day in the exports of agricultural products cannot but have a world-wide influence. As the Hon. Martin Burrell stated in the House of Commons on the 30th of April last, "the embargo upon Canadian cattle will be removed by Britain as that country is short of stock as are other European countries." Mr. Burrell pointed out that in view of the fact that Canada was the only nation within the Empire against which such a restriction was in force, it would be removed. Despite that embargo our cattle and packing industry have grown. In the last decade our exports at times reached about $60,000,000 a year, in 1914 they dropped to about $40,000,000. Now they are approximately at the rate of $130,000,000. They will remain at a high

Continued on page 27.

THE YEAR'S DEVELOPMENTS IN TRUST AND LOAN SITUATION

World Demand for Agricultural Products Has Strengthened Values of Farm Lands —Western Legislation and Its Effect—The Problem of Securing Eastern Capital.

FIFTY of the leading loaning and savings organizations of Canada, in addition to trust companies, have sent their returns to THE FINANCIAL POST for analysis in connection with this review number. These companies have assets of $253,224,372. They owe to the public $149,959,841. Thus there is $1.69 for every dollar owing to the public. In the year previous the ratio was $1.67 and in 1914 $1.65 for the same companies. It will thus be seen that during the past two years the security behind the companies' obligations has appreciably increased. Operations have been somewhat curtailed, and, as shown elsewhere, profits reduced, but the fact that there has been the improvement referred to in the security offsets the small reduction in return, and must appeal particularly to those holding debentures of, or having deposits in, these companies.

The great bulk of the investments are in mortgages on Western farm lands. With the outbreak of the war there was for a time a feeling of uncertainty about the West and some fear that mortgage values might be impaired. However, during the past couple of years the high prices for farm produce and the growing world demand have put a different complexion on the situation and farm lands have not only held their own, but of late have been increasing in value with the prospect that with a renewal of immigration, which is already in evidence, so far as Americans are concerned, there will be a further improvement in this connection.

In stating that the companies whose affairs are reviewed in this number—for 1916 and several previous years—have assets of $253,224,372, it may be taken that they include practically all of the representative mortgage organizations, the total assets of all companies in Canada being less than $20,000,000 larger. This is shown in a summary on this page showing the growth of the investments of loan and insurance companies between 1906 and 1915. In the following table are shown comparative figures of the fifty companies referred to for the past three years:

ASSETS.	1914	1915	1916
Mortgages	$187,343,782	$188,193,379	$184,126,544
Other Loans	17,203,050	16,493,519	15,940,371
Securities	15,995,410	17,639,858	20,354,800
Real Estate and Prem.	5,261,180	5,696,814	6,640,050
Cash	8,944,832	11,478,353	13,155,753
Other Assets	10,883976	11,039,081	13,006,854
Total	$245,632,230	$250,541,004	$253,224,372
LIABILITIES TO THE PUBLIC			
Deposits	$21,460,074	$24,127,951	$26,153,760
Debentures	124,472,069	123,537,299	109,912,012
Other Liabilities	3,545,676	2,715,593	13,894,069
Total	$149,477,819	$150,380,843	$149,959,841
LIABILITIES TO SHAREHOLDERS			
Capital	$62,126,864	$64,384,596	$65,481,918
Reserve	30,410,613	32,678,912	34,275,889
Other Liabilities	5,216,427	5,683,417	6,393,639
Total	$97,753,904	$102,746,925	$106,151,446

Reference to another year of war and war conditions throughout both the field for loaning and the field for borrowing must naturally preface any general conclusions or references to the results of the year or the outlook for the future. World business and world finance are in an unsettled state and the effects are naturally easily traced throughout the reports of all financial companies while the clouded future creates uncertainty as to capital supplies and interest rates developments in connection with which have been marked in the past few years.

Foreign Capital Supply.

The war's effect upon capital supply can be traced by the figures showing the decrease in the amount of sterling debentures outstanding. In Britain and on the continent the demand for capital for government financing has been such that interest rates have advanced to a marked extent and this, together with patriotic influences, have made it difficult for Canadian companies to get their sterling debentures renewed at rates warranted by the return offered in the Canadian investment field. Then on the other hand not only has the demand for loans been somewhat more restricted by the prevailing conditions and the necessarily high rate of interest but, and this applies particularly to Western Canada, there have been legislative influences at work which have tended to undermine the security foundation of mortgages.

As to the future of the foreign capital supply there is difference of opinion and the future rate of interest is involved in the same problem. In this connection there are articles in this number which have been prepared by close students of the situation and their opinions should be of both interest and value.

The Home Capital Supply.

With the curtailment of the supply of outside capital interest has turned more than ever to the situation at home and this has been accentuated by the accumulations of capital as illustrated by the savings deposits carried by the banks. Much of this capital now lying in the banks and drawing bank interest could be invested in loan company debentures providing first class security and returning a substantially higher rate. In this question of getting home capital interested in debentures as investments is one of the great problems of the Canadian loaning companies. The remark has been made to THE POST by a manager of one of the leading concerns that there must be at least $50,000,000 lying in the banks at the credit of farmers which could well be invested in debentures —an investment returning much higher interest and recognized as security for trustee funds. The difficulty appears to be that the funds referred to are largely in the hands of farmers more or less isolated and difficult to educate to the advantages of debenture investments, while individual effort to interest them is too expensive. Some of the older companies have had a measure of success during the year in increasing their currency debentures outstanding but even in the case of the most successful the managements report that anything that would bring the farmer and the mortgage company closer together would be of benefit to all concerned. The measure of success which has been obtained appears to be due to aggressive application of direct methods.

As to Legislation.

Legislation new or of recent years has proven a considerable handicap to the operations of the companies during the year. However, for the most part it has been recognized that that has been induced to a considerable degree by a desire to offset war conditions and the companies have shouldered the burden in that spirit. The moratoria has continued in force and although it has not been a very serious factor against the operations of the companies it stands on the books of several of the provinces as a black mark against the fundamental security of the mortgage and therefore must be a factor for harm in influencing the opinion of investors and particularly those in foreign countries. In principle too the moratoria is wrong for the reason that it has worked for the protection of the speculator and not for the benefit of the productive land owner who through high prices and good crops has been able to meet his obligations or at least has received under the legislation referred to no further encouragement than is offered by the loaning companies in the transaction of their business in the usual way.

The soldiers relief acts too have provided their annoyances. The principle of protection for the men serving their country is generally recognized but it is to be seriously doubted if the burden of this protection should be placed upon the individual—in this instance the mortgagee. Besides the weakness of the legislation in at least two of the Western provinces is that it has been provided a "khaki" cloak behind which have hidden many

Continued on page 26.

THE EFFECT OF FREE WHEAT AS SEEN FROM WESTERN STANDPOINT

Influx of Immigration Looked for With Increase in Farm Values.

REGARDED AS PERMANENT MEASURE

Machinery Being Established To Enable Winnipeg To Compete On Equal Basis With Western American Markets—Conditions Too Unsettled To Judge Permanent Results.

By Norman Lambert, who has recently toured Western Canada and is in a position to present a "close-up" view of the developments from the Western standpoint.

DESPITE the manner in which "free wheat" was established between Canada and the United States, the majority of people in the Western Provinces feel that this recent measure passed by an Order-in-Council under the War Measures Act, has really come to stay. At the present time, the Winnipeg Grain Exchange, evidently believing this to be true, is busy organizing new facilities for the buying and selling of grain so that this principal market of the West shall be on a fair, competing basis with rival markets in the United States. Every effort is being made by the trade in Winnipeg to prevent the slightest diversion to competing channels of the growing volume of business transacted at this point. With sample markets at Winnipeg, and terminal elevators at the head of the lakes transformed from mere storage houses into repositories for the mixing and grading of grain, and with the railways doing their part in promptly handling the harvest each season, it is believed that Winnipeg and Fort William and Port Arthur, under this regime of free trade, will be more than able to hold their own against Minneapolis and Duluth.

As to the general effect upon the West of free trade in grain and flour between Canada and the United States, it is yet too soon, and the present time is too abnormal, to justify any one in drawing definite conclusions. Since the passing of the free wheat measure at Ottawa, the grain markets on both sides of the line have advanced in a most sensational manner, the price at Winnipeg far exceeding that at Minneapolis or Chicago. But no sensible grain man would argue that these advances had been directly caused by free wheat. As a matter of fact, the elimination of the tariff on grain and flour that stood between these two North American countries was only a slight incident in an acute world situation. Winnipeg for some time has been the only exchange in America that has been handling real wheat. The United States and Canada together constitute the only principal wheat-producing area that is accessible to the buyers for the Entente Allies this year. The purchasing power behind the wheat markets of this continent at the present time was never so great, and simply because of that circumstance there is no limit to which the price of wheat may not be forced, provided, of course, that government control does not intervene.

As a Permanent Arrangement.

It is rather as an after-the-war measure than as an effort to bring relief at the present time, that free wheat is most appreciated by the people of Western Canada. In other words, they believe that free access to the markets of the United States is the most natural thing in the world —a condition which should prevail in normal times, and not merely be created for an abnormal period such as the country is experiencing just now. The West knows that two great problems will confront Canada at the close of the war. One will be the readjustment in employment of many thousands of men and women who have been engaged in war work at home and abroad. The other will be the bearing of a huge national debt which can only be carried through the expansion of national sources of revenue. Agricultural development in the new provinces of the West presents one of the easiest and most available sources of greater income to the nation. The readjustment of employment after the war, it is felt, will fall largely to the lot of the old industrial provinces of the East; while the new West with its wide, trackless areas of virgin soil must take to itself the problem of increased production. In order that they should work to the very best advantage in those days when the artificial values of war have passed away from the grain markets, and the peaceful co-ordination of world industry has been resumed, the producers of Western Canada want to trade unhindered with their neighbors to the south.

Influx of United States Settlers.

On the strength of this free wheat measure, combined with the persuasive argument of cheap land, representatives of different colonization interests in Western Canada are now attracting more settlers from the United States than have been seen crossing the international boundary within the past three years. William Pearson, of Winnipeg, the head of one of the very largest and most successful land and colonization companies operating in Western Canada explained to me that free wheat had simply added another strong inducement to the younger farmers in the older districts of the United States to come to this country to live. "My agents in the United States," said he, "are sending very favorable reports of the prospective movement into Canada this season. I expect, if everything goes along satisfactorily, that we shall be running an excursion trainload of settlers into our part of the country, some time in June. That would make the first train that we have operated since early in 1914."

Free wheat, of course, could not be said to be wholly responsible for the renewed interest of the American farmer in the Canadian West, Mr. Pearson remarked. Since the beginning of the year there had been a decided improvement in the tone of the business in farm lands throughout the West. The remarkable crops of the past two seasons on the Canadian prairies, bringing prosperity

Continued on page 18

Investment of Trust, Loan and Insurance Companies

DISTRIBUTION OF ASSETS.
Trust and Loan Companies.
(Seventy-three Companies in 1915, seventy-five in 1906).

Year	Mortgages	Stocks, Bonds & Debentures	Other	Total
1906	$117,499,461	$23,811,069	$12,361,553	$153,672,083
1915	190,554,253	40,185,225	40,501,557	271,241,035
Incr.	73,054,792	16,374,156	28,140,004	117,568,952

Funds Not Beneficially Owned.
(Twenty Trust Companies in 1915 and eight in 1906).

1906	$23,245,724	....	$39,489,574	$62,733,301
1915	93,764,996	....	284,322,834	378,087,830
Incr.	$70,054,792	....	$244,833,260	$315,354,529

Life Assurance Companies.
(Including Assets in Canada of British and Foreign Companies).

1906	$40,085,024	$104,194,907	$36,138,687	$180,418,619
1915	125,876,058	168,680,768	94,834,122	389,480,948
ncr.	$85,791,034	$64,485,861	$58,785,435	$209,062,329

Fire Insurance Companies.
(Including Assets in Canada of British and Foreign Companies).

1906	$8,831,637	$18,467,044	$7,549,514	$34,848,195
1915	8,820,241	32,918,561	15,878,752	57,617,554
Decr.	$11,396	$14,451,517	$8,329,238	$22,769,359
Incr.	$73,054,792	$16,374,156	$28,140,004	$117,568,952

Aggregate All Companies.

1906	$189,659,846	$146,473,020	$95,539,328	$431,672,194
1915	419,015,548	241,784,554	435,627,265	1,096,427,367
Incr.	$229,367,098	$95,311,534	$340,087,937	$664,755,173

ASSETS CONTROLLED BY LOAN AND TRUST COMPANIES.
(Seventy-three Companies in 1915, Seventy-five in 1906).

	1906	1915	Ten Years' Increase	%
Shareholders	$67,119,548	$113,341,651	$46,222,103	68.6
Due to public	85,044,751	157,899,280	72,854,529	91.0
Trust funds	64,251,095	387,087,830	313,836,736	490.0
	$216,505,384	$649,328,760	$432,923,482	200.0

ASSETS OF LIFE INSURANCE COMPANIES.
(With Dominion Charter or License).

Canadian	$114,560,833	$274,273,018	$159,712,185	140.0
British	23,693,546	37,761,966	14,068,420	61.1
American	42,164,240	77,445,964	35,281,724	84.0
	$180,418,619	$389,480,948	$209,062,329	116.1

ASSETS OF LIFE INSURANCE COMPANIES.

British	22,146,738	27,344,410	5,197,672	23.5
American	2,888,262	10,806,503	7,918,241	274.8
Canadian	$9,813,195	$19,466,641	$9,653,446	108.2
	$34,848,195	$57,617,554	$22,769,359	70.0
Aggregate	$431,672,194	$1,096,427,367	$664,755,173	154.0

OUTLOOK FOR SECURING CAPITAL SUPPLY FROM FRANCE AFTER THE WAR

Manager of Credit-Foncier Says the Prospects Are Not Very Promising.

FUNDS WILL BE REQUIRED AT HOME

May Be Several Years After Peace Is Declared Before The Tide Will Again Begin To Flow In This Direction—Western Legislation a Menace.

(By Martial Chevalier, B.A., General Manager Credit-Foncier Franco-Canadien.)

WHAT are the prospects of Canada getting capital from France after the war?

I am sorry to have to reply that they are not promising. In fact, I have been informed by my principals that they do not expect to be able to get any money for investment in this country or any other foreign country for several years after the signing of peace. It is not difficult to understand that this will probably be the case. France will have need of enormous sums to repair the ravages of war. The re-construction of cities, the re-building of roads, the re-establishment of the great industries that have been destroyed and the replacing of railways will tax the resources of the bleeding and exhausted country for a long time.

Previous to the outbreak of war there was an accumulation of funds, a portion of which would have been available for investment in Canada, but which will now all be required at home. Devastated Belgium, which has been crushed to earth under the iron heel of the oppressor, and whole cities with their complex industrial life obliterated, must be restored and the capital must come from France or England. The rebuilding of the navy, which to a large extent will have to be scrapped after the war is over, will involve a large expenditure, while the interest charge on the national debt, as the result of the colossal coast of the war, will be a burden of no light proportions. I have no fears for Canada's future. With the matchless resources of the country, and the resourcefulness and ability of her population, her progress is assured. I do not look forward to any period of depression after the war. I have changed my mind about that. There may be a shortage of money at the first, but I believe that situation will speedily adjust itself, once the energies of the people are again directed to the production of useful commodities. The manufacturers will be more efficient and their plants will be better equipped as a result of their speeding-up war experiences, and they will seek new commercial worlds to conquer. New industries have been developed, which will mean a constantly increasing source of wealth to the country. The skill and learning will be enlisted by industry, and methods improved and systematized. Canada's future cannot be other than a brilliant one, if the character of her statesmanship is worthy of her.

I cannot refrain from uttering a word of caution to the Western provinces. The legislators out there have apparently arrived at the conclusion that there is no such things as vested rights. The character of the legislation that has been enacted cannot but have a tendency to frighten capital away. The situation is that a first mortgage is no longer a first mortgage. The federal seed grain lien takes precedence; and the provincial seed grain lien also takes precedence; then there are a multitude of taxes, such as hospital taxes, telephone taxes, drainage taxes, noxious weeds charges, surtaxes, hail insurance taxes, gopher destruction taxes, surveys for roadways, mechanics' liens and many other taxes.

Then in addition to these various disabilities, the provinces propose to enter into the loan business in competition with the companies who have their capital tied up in the country. The competition will be unfair, too, inasmuch as the Government concerns are given certain advantages over the regular loan companies. If there is any deficiency, the province will make it up. Is there anything fair in that? It is not even fair to the rest of the people of the province.

Surely the companies which have established themselves in the country and advanced large sums for its development, have some rights, and are entitled to some consideration.

The Credit Foncier's loans in Western Canada will aggregate about $20,000,000, and we have $123,000 in arrears standing on our books which we regard as doubtful. This includes what is exempted under the provisions of the Moratorium Act, and the cases where we have been delayed in getting judgment. By the time three years has passed, the arrears will have reached such a large sum that in many cases we will have to take the property over. Until we can sell it, we will not know what our loss will be. The arrears of interest and taxes, and the costs on the property actually taken over last year alone amounted to $96,000.

The seed grain lien has been a great bugbear. Take a sample case. Here is a property valued at $1,100. We have loaned $500 on it. There is a seed grain lien of $400 on it, while the costs of the lawyer who foreclosed on the property amounted to $200 more. You can see where our security is, and what a great injustice has been done the lenders by these various legislative acts.

In another case where the loan was $5,000, the arrears of interest, taxes, insurance, and law costs, amounted to $2,000.

We have advanced the money in good faith, and along comes the government and passes legislation that jeopardizes our security and changes our first mortgage into a second and perhaps a fourth or fifth mortgage. Such legislation will hurt the credit of not only the Western provinces, but will also prove a tendency to restrict borrowing opportunities of the older provinces such as Ontario and Quebec where there has been no interference with the rights of the mortgagee.

Unless a halt is called, the development of Canada will be seriously retarded and the confidence of investors shaken.

THE EFFECT OF FREE WHEAT AS SEEN FROM WESTERN STANDPOINT.

Continued from page 1

and success to many an immigrant from the United States, had done more than anything else to turn the eyes of the farmers living in the neighboring states to the cheaper fertile lands of our Western Provinces. "The farmers of Minnesota and the Dakotas with their average wheat yields during the past ten years amounting to 10 and 11 bushels per acre have not been ignorant of Western Canada's 30-bushel average in 1915, and our 18 and 19 bushels per acre for a series of years before that," said Mr. Pearson. Then the precipitation of the United States into the war had been a tremendous factor in facilitating the movement of settlers into the West from the other side of the line. The general need of increased cereal production from the grain growers of this continent was also having its effect in bringing new settlers to this country where the opportunity for getting bigger results from operations on the land, was considered to be much greater than in any other part of America. The passing of the free wheat measure had been the crowning feature of an increasingly favorable situation so far as land settlement in the West was concerned. Mr. Pearson felt that when the people of this country came to see the beneficial effect of this measure as reflected later in the increased immigration from the United States into areas that needed settling in the worst way, there would be no doubt about the permanency of free wheat.

Renewed Movement in Evidence.

An indication of the renewed volume of immigration into Western Canada from the United States is given in the following tabulated statement showing the number of farmers and farm laborers with the amount of cash and the value of effects accompanying them, recorded during the first three months of the past four years:

Jan. to Mar. 31—

Year	Farm Laborers	Farmers	Total	Cash	Effects
1917	3.560	1,717	7,926	$1,461,595	$531,781
1916	279	748	2,411	544,497	159,498
1915	46	737	1,818	520,596	15,255
1914	525	3,027	7,585	2,143,975	584,528

The figures for April were not ready for publication when this article was being written, but the record for the past month has also shown a continued increase in the movement of settlers from the United States, over the corresponding month in the past two years. Another piece of evidence supporting the statistics just quoted from the books of the Dominion Immigration office, is the unprecedented volume of land business which is being done by the C.P.R., through its Department of Natural Resources. The year ending 1915 was the most successful which the land department of the C.P.R. had ever experienced up till that time. In that year sales amounted to $5,165,000. In 1916, however, the amount of the previous year was increased to $7,793,000, representing the value of some 480,000 acres. The people in the United States to whom that land was sold last year, have been coming across the line in a continuous stream ever since the opening of 1917, and by the end of this season, will be well established in their new country. Although the crop prospects for 1917 are not any too bright, and it looks as if the wheat acreage at least, will be materially reduced below the area of 1916, the outlook for 1918, if one may be permitted to think that far ahead, is exceedingly promising. The few new settlers in the West this summer will be busy preparing idle land for crop next spring, and it is now a safe prediction that 1918 will see a big expansion in the cropped areas of the three prairie provinces.

New Facilities For Loan.

Another very important factor that is making the march to the new lands of the West more popular, is the increased assurance of financial accommodation which has been conveyed to the farmer through the recently adopted rural credit schemes of Alberta, Saskatchewan and Manitoba. "What effect will free wheat have upon the business of lending money on mortgages in the West?" the manager of one of the principal loan companies in Winnipeg was asked.

"In time, I should think that it would tend to help our business, but as yet we have felt no direct results one way or the other from it," was the answer given.

The same gentleman, however, went on to say that the chief influence in money-lending circles just now is the part being taken by the provincial governments of the West in extending credit to farmers. "Here we have the Manitoba Government," said he, producing a copy of a Winnipeg newspaper, "advertising money for farm loans at 6 per cent. Now, we know that it is impossible to lend money profitably at that rate of interest out here if the funds have been secured in the markets of the East at 5 and 5½ per cent." The only explanation of the Manitoba Government's six per cent. money was that certain funds held by the Province in the bank were being issued to farmers on long terms at the advertised rates of interest. While the Governments of Saskatchewan and Alberta had not yet actually transacted any financial business with the farmers, their rural credit schemes were just about to be put into operation, and altogether the general effect of them in all three prairie provinces was to reduce materially the number of mortgage loans issued from the offices of the established private companies. In due time, it is expected that the trust loan and mortgage companies, because of their long-standing equipment for the handling of loanable fund, will regain, under conditions of fair competition with the provincial governments, much of the business which at present seems to be falling by the wayside.

The various financial offices in this chief financial centre of Western Canada, therefore, are much more concerned at the moment with the introduction of rural credits by the local governments of Manitoba, Saskatchewan and Alberta, than with the enforcement of free trade in grain between Canada and the United States. This much may be said already with reference to the rural credit schemes: that in all three provinces the rate of interest charged to farmers on current account at the banks has been generally lowered. On long term loans also, the rate will be no higher than seven per cent.,

New Facilities For Loan.

After the war Western Canada will want thousands of new settlers for her agricultural lands. Even now, the second wave of immigration into the West seems to have started. In order that these new people may establish themselves solidly in Canada, and be of use to themselves and to the country of their adoption, economic conditions must be highly favorable to them. Too many people in the West are saying that if the prairies are to return after the war to seventy per cent. wheat with the old conditions prevailing as well, few new settlers will attempt to come to Canada, and many of those who are here now, will not be content to stay. There must be an agrarian policy for Canada. Free wheat and rural credits are two very important items in that policy; but they are not all by any means.

The Sterling Trusts Corporation

Incorporated by Dominion Charter

AUTHORIZED CAPITAL $1,000,000.00 FULLY SUBSCRIBED

Paid-up Capital, $361,903.50. Total Assets, $3,644,769.77.

OFFICERS AND DIRECTORS:

President, W. S. Dinnick,

Vice-Pres. Standard Reliance Mortgage Corporation.

Vice-Presidents: E. D. MacCallum, John Firstbrook, Earl of Clarendon, Pickering, Ont.

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WE ACT THROUGHOUT CANADA:

1—Executor, Administrator, Trustee, Guardian.
2—Receiver, Liquidator, Assignee, Curator.
3—Agent for any person or persons holding any of the foregoing offices.
4—Agent for the Investment of Funds and guaranteeing of interest thereon.
5—Transfer Agents, Registrar and Trustee for the issue of Stock or Bonds of Financial and Industrial Companies.
6—Agent for the purchase and sale of Real Estate, Management of Properties, Collections of Rents, etc.
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Correspondence Invited.

The Sterling Trusts Corporation Canada

HEAD OFFICE:—80 KING ST. E., TORONTO, CANADA

Western Branch Office:—Regina, Sask.

G. A. BRADSHAW. Manager

The Waterloo County Loan and Savings Co.

INCORPORATED APRIL, 1913

Progress in three years:

Assets—December 31, 1914	$ 566,329.73
Assets— " " 1915	776,340.36
Assets— " " 1916	1,076,678.96

Statement for December 31st, 1916, shows Assets as follows:

Mortgages	$ 545,282.56
Municipal and School Debentures	415,796.99
Loans on Securities, etc.	11,757.85
Office Premises and Real Estate	30,273.95
Cash on Hand and on Deposit	73,567.61
	$1,076,678.96

Liabilities are:

Deposits and Debentures	$ 616,837.59
Capital Stock Paid-up	383,779.93
Dividend No. 6, payable January 2nd, 1917	11,183.40
Contingent Account	3,000.00
Reserve Fund and Undivided Profits	61,878.04
	$1,076,678.96

Parties desiring information regarding capital stock or debentures will receive it from the Head Office at Waterloo, Ontario.

Offices: Kitchener, Waterloo.

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The Toronto Mortgage Company

13 Toronto Street, Toronto

Sir Wm. Mortimer Clark, LL.D., W.S., President. Wellington Francis, Esq., K.C., Vice-Pres.

Present Cash Value of Total Assets - - $3,244,600.00
Surplus Over All Liabilities to Public - - $1,334,100.00

5% Paid on Debentures, in all Denominations, from two to five years, legal investment for Trust Funds.

Company's Funds invested in Mortgages on Improved Real Estate on very favourable terms.

Telephone: Main 1221

WALTER GILLESPIE MANAGER

Cable Address: "Mortgage"

WORKING OF MEASURES DESIGNED TO PROTECT SOLDIERS—AND OTHERS

Many Slackers and Unfits Take Advantage of Acts for Benefit of Militia.

WAR MORATORIA WRONG IN PRINCIPLE

Legislation Which Hit At The Fundamental Strength Of Mortgage Covenants Only Served To Provide Protection For Speculators—Farmers Generally Able To Pay.

[*Written after a discussion of the subject with Geo. H. Smith, Secretary of the Canada Permanent Mortgage Corporation.*]

IN approaching the question of legislation put into force by several of the Canadian provinces—Ontario and westward—with the general object of protecting the interests of those upon whom the war, or the conditions which accompanied it, brought financial hardship two distinct classes must at once be established. There are the measures established by several provinces for the purpose of protecting the affairs of the man who decided to actively serve his country. And there are the measures designed to provide relief on a broader scale for those who temporarily, through the sudden shock to the business and financial structure, found it impossible to meet obligations. Both classes of legislation were no doubt well intended. However, to those who understood the economic fabric of the country's affairs it was at once obvious that the measures had been ill-considered and their operation has developed many proofs of this.

In relation to the standing of the mortgage contract the principle of the more general moratoria was emphatically wrong. It was blow at the fundamental strength of the borrowing power of the country and in this respect aggravated a state of affairs already made serious, particularly in Western Canada, by different measures placing against real security prior charges to that of the first mortgage. As the result of such legislation the Western farmer has been paying higher rates of interest than would be the case if the security offered were unimpaired and for a time after the outbreak of the war there was difficulty in securing capital even when high return was offered. The reason for this is not hard to find. In order to secure funds for mortgage loans it is necessary to guarantee absolute security; security is much more important than interest return—particularly with foreign investors. Therefore, where legislation is passed which undermines the status of the first mortgage, for which the state should be the guarantee, the effect upon the investor is direct and soon makes itself felt at the sources from which capital are secured.

Further the moratoria was wrong in principle because it merely deferred an adjustment which must ultimately take place. So far as the war was concerned it was soon seen that it was an influence for good rather than for evil in Western Canada so far as farm land values were concerned. The rising markets for food stuffs and big yields brought substantial returns to the productive farmer. The result was that in the actual operation of the moratoria it was the land speculator who received the benefit. The producing land holders were able to meet their obligations and the payments from the returns of the 1915 crop are evidence of this; those who were in a position to reap benefit from the legislation were the land gamblers.

Protection for the Speculator.

Carrying the operation of the moratoria a step further we find that the tendency to protect the land speculator, the man who is not producing, has retarded the effort for increased production which have accompanied the progress of the war. Had speculators been closed out the land would probably have passed into the hands of active farmers who would be able to develop it to advantage. From the more practical standpoint it would perhaps have been more excusable to have put moratoria into effect in 1916 when there was a crop failure in some districts as the result of the drouth. No one would have reasonably recommended such a course. Yet it illustrates the point that the mortgagor cannot expect protection other than that secured him by the terms of his contract from unexpected developments.

Undermining the Mortgage.

However, the objections regarding individual application which have been referred to, have actually been noted in comparatively few cases in relation to the whole situation. The harm was not so much in the advantage taken of the measure as in the general effect of undermining the standing of the mortgage. The farmers with good crops and good prices in 1915 showed a tendency to meet their obligations and the exceptions were, as previously intimated, the land speculators. In fact it may be said in a general way that the agricultural classes secured no benefits under the moratoria which they would not have been accorded in the usual way, in view of the extraordinary conditions, by the loaning organizations themselves. The loaning companies have at all times shown every desire to help the mortgagor "pull through." This is not philanthropy so much as it is good business. There is no advantage to the mortgage company to foreclose if there is any reasonable assurance that the mortgagor can and will make good.

In this same connection—the stability of the mortgage contract—it is interesting to note that the farmers themselves have come to realize the importance of maintaining the country's credit standing. The Grain Growers organizations have passed resolutions decrying legislation which impairs agricultural credit, recognizing that the country needs capital for its development and that the burden of high rates falls upon the borrowers' shoulders. Under such circumstances it is hard to understand how the government maintain their attitude toward the legislation which has been passed; there would appear to be reason to believe that once having passed these "war measures" they are afraid to recall or amend them while the war lasts on account of the political effect.

As regards the measures of the different provinces, the moratorium in Ontario is of such a modified form that there is little objection to its actual working and in Saskatchewan the application is in the hands of the Lieutenant-Governor with the result that individual cases are considered on their merits. In Manitoba, the mortgagor is allowed an additional year to pay up interest, taxes or other disbursements which the mortgagee may be called upon to meet and thus by paying a little at a time, the former can actually keep practically two years in arrears. The bona fide farmer has not found it necessary to take advantage of this measure, while the man who is withholding land from cultivation for speculation purposes is enabled to postpone the inevitable readjustment which it would be more advantageous for all concerned to have completed.

The efforts of the provincial authorities to provide protection for soldiers and their families is the other phase of the question. The idea of special consideration for the men who are serving their country in the hour of need appeals strongly. To the principle there can be no broad objection. But there is ground for objection to the manner of the application of the principle; to the ill-considered features of the legislation which allow "slackers" and "stay-at-homes" in general to take advantage of concessions which were designed only for the men at the front. Further there is the more general objection that it is a heavy burden which the mortgagee is being called upon to bear.

There can be no doubt that the soldiers at the front are entitled to expect that their homes will not be sacrificed when they give themselves and make other heavy personal sacrifices to serve their country. The objection which mortgagees take to the legislation passed by some of the provinces is that they are being called upon to bear a burden which should be that of the nation. They are being asked to forego their interest and in many instances to make heavy disbursements to meet taxes on properties occupied by the families of men at the front and prevent them being sold by the municipalities. Would it not be as reasonable to require the grocer and butcher to supply the means of sustenance without requiring payment therefor, and much more reasonable to expect the municipality to forego the taxes?

However, as previously stated, it is the looseness of the legislation, such as that in Manitoba and Alberta, by which hundreds of those not at the front and with no intention of going to the front are benefiting to which particular objection is taken. A few instances will best illustrate the actual working of the relief legislation in those provinces.

In one case which has attracted particular attention there were first, second and third mortgages registered against a property involving nine or ten thousand dollars, and more than absorbing the owner's equity in the property. In none of these were there any persons entitled to protection under the Relief legislation concerned. Behind these three mortgages was a claim for $150 and a partner in that claim, who was a "soldier," set forth his right under the Act. On the strength of his claim the matter was thrown into the courts when a foreclosure of the mortgage was attempted.

The "Slackers" and "Unfits."

Then there are the cases where the meaning of the Act is entirely evaded. In Edmonton this was true to such an extent that the home guard was known as the "Moratorium" Battalion. Following are some typical instances to illustrate how men who could not possibly go to the front, and evidently had no intention of so doing, are receiving the protection intended for those making great sacrifice:—

Classified summary of certain cases under which foreclosures and collection of rent had been stopped through mortgagor becoming member of the local militia:

Principal	Arrears	Taxes Unpaid	Arrears to Principal %	Revenue	Remarks Re Borrower
$ 2,575	$ 725	(a)	24.2	$15 mo.	....
1,500	132	(a)	.8	None	Over fifty.
20,000	5,663	$1,472	35.6	"	Over seventy.
6,000	462	526	16.5	"	A lawyer.
4,000	462	243	17.6	"	....
2,000	359	32	19.5	"	An aged man.
10,350	2,788	...	27.0	"	Married July 1.
6,800	927	409	20.0	"	....
9,800	2,400	...	24.5	"	Of unso'nd mind
5,500	3,200	...	58.2	"	Same party.
10,000	...	...	....		
12,000(b)	...	(b)	....	$50 mo.	1 hand, over military age.
1,100	...	853	.5	None	....
6,000	893	956	30.8	"	Borrower's husband over 65.
2,425	530	240	31.8	"	Gov. employee.
5,000	450	...	....	"	Over 72 years.
2,000	857	...	42.3	"	3 years arrears
3,850	1,027	...	26.5	"	....

(a) In some cases taxes are included in the amount under head of arrears.

(b) The principal in this case represented a new loan made to cover taxes and interest previously in arrears. Takes $225 a month to cover interest, taxes and insurance.

Many cases have been found where the application of the act has been secured through making a transfer in favor of a soldier. Some have been registered between a sale and its execution. There is nothing, for example, to prevent a man borrowing $50 from a soldier and then making an assignment in his favor for that amount and thus preventing foreclosure against the property.

There is no reason to doubt but that the law makers who brought the legislation referred to into force did so with good inten[illegible]. The only doubt that could be raised i[illegible] the operation of the A[illegible] $55,89[illegible] [illegible]encies and weaknesses [illegible] $225,849 [illegible]re is no inclination display[illegible] the obvious mistakes. The average mortga[illegible] is willing to assume a full share of the burden which war imposes but under much of the war legislation in Canada he is the subject of unjust discrimination.

As has been stated, however, the farmers have profited by the unprecedented prices they have obtained as a result of war conditions and have very generally met their obligations. Where for special reasons indulgence has been necessary it has been cheerfully granted. It is borrowers of this class that as a rule the older and more experienced mortgage companies have chiefly numbered among their customers. The man who is primarily a land spceulator is not welcomed as a borrower from these institutions. Their experience in the past has taught them to rely upon the productive power of the security and the man with a fair area of cultivation has not needed the measures which governments and legislatures have provided. The grain growers and farmers of the West do not need this "protection" and those who have not been misled by the interested and misinformed do not desire its continuance. There is, however, a considerable number who find "the war" a convenient cloak for the position in which the collapse of the speculation which took place prior to 1914 had left them and, hoping against hope, prefer to postpone the evil day of liquidation which sooner or later must take place.

The

Toronto General Trusts Corporation

Authorized to act as

Executors, Trustees, Administrators and Financial Agents

Capital Paid Up - - $ 1,500,000.00
Reserve - - - - - $ 1,850,000.00
Assets under administration $77,180,513.62

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The

Royal Trust Company

Executors and Trustees

Head Office: MONTREAL

Capital Paid Up - $1,000,000
Reserve Fund - - $1,000,000

Executors and Trustees

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WORKING OF MEASURES DESIGNED TO PROTECT SOLDIERS—AND OTHERS

Many Slackers and Unfits Take Advantage of Acts for Benefit of Militia.

WAR MORATORIA WRONG IN PRINCIPLE

Legislation Which Hit At The Fundamental Strength Of Mortgage Covenants Only Served To Provide Protection For Speculators—Farmers Generally Able To Pay.

[Written after a discussion of the subject with Geo. H. Smith, Secretary of the Canada Permanent Mortgage Corporation.]

IN approaching the question of legislation put into force by several of the Canadian provinces—Ontario and westward—with the general object of protecting the interests of those upon whom the war, or the conditions which accompanied it, brought financial hardship two distinct classes must at once be established. There are the measures established by several provinces for the purpose of protecting the affairs of the man who decided to actively serve his country. And there are the measures designed to provide relief on a broader scale for those who temporarily, through the sudden shock to the business and financial structure, found it impossible to meet obligations. Both classes of legislation were no doubt well intended. However, to those who understood the economic fabric of the country's affairs it was at once obvious that the measures had been ill-considered and their operation has developed many proofs of this.

In relation to the standing of the mortgage contract the principle of the more general moratoria was emphatically wrong. It was blow at the fundamental strength of the borrowing power of the country and in this respect aggravated a state of affairs already made serious, particularly in Western Canada, by different measures placing against real security prior charges to that of the first mortgage. As the result of such legislation the Western farmer has been paying higher rates of interest than would be the case if the security offered were unimpaired and for a time after the outbreak of the war there was difficulty in securing capital even when high return was offered. The reason for this is not hard to find. In order to secure funds for mortgage loans it is necessary to guarantee absolute security; security is much more important than interest return—particularly with foreign investors. Therefore, where legislation is passed which undermines the status of the first mortgage, for which the state should be the guarantee, the effect upon the investor is direct and soon makes itself felt at the sources from which capital are secured.

Further the moratoria was wrong in principle because it merely deferred an adjustment which must ultimately take place. So far as the war was concerned it was soon seen that it was an influence for good rather than for evil in Western Canada so far as farm land values were concerned. The rising markets for food stuffs and big yields brought substantial returns to the productive farmer. The result was that in the actual operation of the moratoria it was the land speculator who received the benefit. The producing land holders were able to meet their obligations and the payments from the returns of the 1915 crop are evidence of this; those who were in a position to reap benefit from the legislation were the land gamblers.

Protection for the Speculator.

Carrying the operation of the moratoria a step further we find that the tendency to protect the land speculator, the man who is not producing, has retarded the effort for increased production which have accompanied the progress of the war. Had speculators been closed out the land would probably have passed into the hands of active farmers who would be able to develop it to advantage. From the more practical standpoint it would perhaps have been more excusable to have put moratoria into effect in 1916 when there was a crop failure in some districts as the result of the drouth. No one would have reasonably recommended such a course. Yet it illustrates the point that the mortgagor cannot expect protection other than that secured him by the terms of his contract from unexpected developments.

Undermining the Mortgage.

However, the objections regarding individual application which have been referred to, have actually been noted in comparatively few cases in relation to the whole situation. The harm was not so much in the advantage taken of the measure as in the general effect of undermining the standing of the mortgage. The farmers with good crops and good prices in 1915 showed a tendency to meet their obligations and the exceptions were, as previously intimated, the land speculators. In fact it may be said in a general way that the agricultural classes secured no benefits under the moratoria which they would not have been accorded in the usual way, in view of the extraordinary conditions, by the loaning organizations themselves. The loaning companies have at all times shown every desire to help the mortgagor "pull through." This is not philanthropy so much as it is good business. There is no advantage to the mortgage company to foreclose if there is any reasonable assurance that the mortgagor can and will make good.

In this same connection—the stability of the mortgage contract—it is interesting to note that the farmers themselves have come to realize the importance of maintaining the country's credit standing. The Grain Growers organizations have passed resolutions decrying legislation which impairs agricultural credit, recognizing that the country needs capital for its development and that the burden of high rates falls upon the borrowers' shoulders. Under such circumstances it is hard to understand how the government maintain their attitude toward the legislati[illegible] which has been passed; there would appear to be re[illegible]n to believe that once having passed these "war me[illegible]ures" they are afraid to recall or amend them while the war lasts on account of the political effect.

As regards the measures of the different provinces, the m[illegible]atorium in Ontario is of such a modified form that [illegible] is little objection to its actual working and in Sask[illegible]an the application is in the hands of the Lieutenant-Governor with the result that individual cases are considered on their merits. In Manitoba, the mortgagor is allowed an additional year to pay up interest, taxes or other disbursements which the mortgagee may be called upon to meet and thus by paying a little at a time, the former can actually keep practically two years in arrears. The bona fide farmer has not found it necessary to take advantage of this measure ,while the man who is withholding land from cultivation for speculation purposes is enabled to postpone the inevitable readjustment which it would be more advantageous for all concerned to have completed.

The efforts of the provincial authorities to provide protection for soldiers and their families is the other phase of the question. The idea of special consideration for the men who are serving their country in the hour of need appeals strongly. To the principle there can be no broad objection. But there is ground for objection to the manner of the application of the principle; to the ill-considered features of the legislation which allow "slackers" and "stay-at-homes" in general to take advantage of concessions which were designed only for the men at the front. Further there is the more general objection that it is a heavy burden which the mortgagee is being called upon to bear.

There can be no doubt that the soldiers at the front are entitled to expect that their homes will not be sacrificed when they give themselves and make other heavy personal sacrifices to serve their country. The objection which mortgagees take to the legislation passed by some of the provinces is that they are being called upon to bear a burden which should be that of the nation. They are being asked to forego their interest and in many instances to make heavy disbursements to meet taxes on properties occupied by the families of men at the front and prevent them being sold by the municipalities. Would it not be as reasonable to require the grocer and butcher to supply the means of sustenance without requiring payment therefor, and much more reasonable to expect the municipality to forego the taxes?

However, as previously stated, it is the looseness of the legislation, such as that in Manitoba and Alberta, by which hundreds of those not at the front and with no intention of going to the front are benefiting to which particular objection is taken. A few instances will best illustrate the actual working of the relief legislation in those provinces.

In one case which has attracted particular attention there were first, second and third mortgages registered against a property involving nine or ten thousand dollars, and more than absorbing the owner's equity in the property. In none of these were there any persons entitled to protection under the Relief legislation concerned. Behind these three mortgages was a claim for $150 and a partner in that claim, who was a "soldier," set forth his right under the Act. On the strength of his claim the matter was thrown into the courts when a foreclosure of the mortgage was attempted.

The "Slackers" and "Unfits."

Then there are the cases where the meaning of the Act is entirely evaded. In Edmonton this was true to such an extent that the home guard was known as the "Moratorium" Battalion. Following are some typical instances to illustrate how men who could not possibly go to the front, and evidently had no intention of so doing, are receiving the protection intended for those making great sacrifice:—

Classified summary of certain cases under which foreclosures and collection of rent had been stopped through mortgagor becoming member of the local militia:

Principal	Arrears	Taxes Unpaid	Arrears to Principal %	Revenue	Remarks Re Borrower
$ 2,575	$ 725	(a)	24.2	$15 mo.	....
1,500	132	(a)	.8	None	Over fifty.
20,000	5,663	$1,472	35.6	"	Over seventy.
6,000	462	526	16.5	"	A lawyer.
4,000	462	243	17.6	"	....
2,000	359	32	19.5	"	An aged man.
10,350	2,788	...	27.0	"	Married July 1.
6,800	927	409	20.0	"	....
9,800	2,400	...	24.5	"	Of unso'nd mind
5,500	3,200	...	58.2	"	Same party.
10,000	...	...	....		
12,000(b)	...	(b)	....	$50 mo.	1 hand, over military age.
1,100	...	853	.5	None	....
6,000	893	956	30.8	"	Borrower's husband over 65.
2,425	530	240	31.8	"	Gov. employee.
5,000	450	...	....	"	Over 72 years.
2,000	857	...	42.3	"	3 years arrears
3,850	1,027	...	26.5	"	....

(a) In some cases taxes are included in the amount under head of arrears.

(b) The principal in this case represented a new loan made to cover taxes and interest previously in arrears. Takes $225 a month to cover interest, taxes and insurance.

Many cases have been found where the application of the act has been secured through making a transfer in favor of a soldier. Some have been registered between a sale and its execution. There is nothing, for example, to prevent a man borrowing $50 from a soldier and then making an assignment in his favor for that amount and thus preventing foreclosure against the property.

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THE EARNINGS AND PROFITS OF LOAN, TRUST AND SAVINGS COMPANIES

High Rates of Interest and Restricted Demand for Mortgage Loans Has Had Wartime Effect of Curtailing Operations, and Thus Reflected on Profits — Position Well Maintained.

IN the following review of earnings statements of trust and loan companies THE FINANCIAL POST is able to present an analysis of the operations, results and distribution of profits of fifty of the leading companies over a period of five years. This should be found of interest and value to shareholders in these companies and to investors generally interested in the trend of mortgage investment in Canada. The showings which the different companies have been able to make under the abnormal conditions which have prevailed since the outbreak of the war have varied according to locality in which operations have been conducted, sources of capital supply, etc., but for the most part the general trend of the developments, as revealed by the reports analyzed indicate reserve strength well maintained or improved, operations somewhat curtailed, debenture capital reduced and as a result earnings slightly smaller. Generally speaking the changes referred to indicate a healthy state of affairs with conservative management and the fact that in few instances indeed has there been any change in the dividend return to the shareholder should be cause for congratulation.

Comparison of the detailed results of the operations of different companies will naturally reveal that in individual cases the results show variety. This may be largely traced to the fact that different concerns follow somewhat different policies or operate in totally different fields. For instance there may be a vast difference in the developments which a concern operating in British Columbia will have to face compared with one in the Maritimes. And these different conditions are reflected in earnings and dividends. However, in a general way the trend during the year has been as indicated and the earnings and dividends are for the most part commensurate with the security offered the investor. On the whole investments in these companies are remarkably sound but there are naturally some more conservative than others and a heavy reserve reduces the earnings rate on capital involved. On the whole perhaps nothing better could be presented in favor of the solidity of the Canadian trust and loan companies as a whole than their record since the outbreak of the war now nearly three years ago.

The most direct factor in the situation so far as earnings are concerned has been the increased cost of capital. Sterling debentures have only been reissued at materially increased interest rates and in the great majority of cases the volume of such capital has been reduced. There has been such an insistent call for European and British capital at home for the purposes of the war that there have naturally been smaller offerings for foreign investment and the high price of money resulted in higher rates of interest and this in turn reflected upon earnings.

The Statistics Presented.

In order to make the different earnings statements as nearly as possible uniform, for the purpose of comparison, an effort has been made to establish a standard form and in order to conform to this standard it has been necessary in some cases to make some changes in the classification of earnings from the company's own report. In the analyses which follow the effort has been in all cases to reach the actual earned profits by deducting from income interest on debentures and deposits, expenses, commissions, fees taxes and other changes that should be deducted in order to reach the real profit. To this net sum is added the previous profit and loss surplus and any extra income to arrive at the amount available for distribution to the shareholders. When information has so enabled, the war taxes and patriotic contributions have been deducted from this amount as indicating that they are not permanent in character and in the company's record should not appear against normal earning power.

It might be further explained that the percentage of profit on "average capital" is reached by estimating average capital on the basis of dividends paid at the rate given; the ratio of profits to this amount can be easily reached. The "earnings rate" is on the amount of funds employed during the year, including the capital paid up, the reserve and the surplus of profit and loss.

BRANTFORD TRUST CO., BRANTFORD.

Distribution of Earnings.

	1913.	1914.	1915.	1916.
Earnings	$20,445	$22,922	$22,733	$22,894
Interest	836	970	1,085	1,143
Taxes	460	734	759	757
Expenses	1,239	1,427	1,382	1,266
	$ 2,535	$ 3,131	$ 3,226	$ 3,166
Net profits	$17,910	$19,791	$19,507	$19,728
Balance forward	8,800	11,710	15,001	1,292
	$26,710	$31,501	$34,508	$21,020
Distribution—				
Dividends	$15,000	$16,500	$18,000	$18,000
Reserve	......	......	15,000	......
War tax	......	......	216	208
Balance	11,710	15,001	1,292	2,811
	$26,710	$31,501	$34,508	$21,020

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$300,000	$18,288	5	6.1	5.9
1913	300,000	17,910	5	6.0	5.8
1914	300,000	19,791	5½	6.6	6.3
1915	300,000	19,507	6	6.5	5.2
1916	300,000	19,728	6	6.6	6.2

BRITISH MORTGAGE LOAN CO., OF ONTARIO, STRATFORD.

Distribution of Earnings.

	1912.	1913.	1914.	1915.	1916.
Earnings	$96,579	$95,828	$95,853	$109,454	$187,314

Interest—					
Debentures	$14,304	$14,127	$13,702	$ 20,174	$ 28,961
Deposits	23,623	21,383	21,307	23,280	28,507
Expenses	7,939	8,613	9,001	8,573	9,187
Com. on loans	1,322	708	1,255	1,282	824
Solicitors' fees	22	32	49	......	......
Taxes	675	683	707	1,567	2,462
Total charges	$47,885	$45,546	$46,021	$ 54,876	$ 69,941
Net profits	$48,694	$50,277	$49,832	$ 54,578	$ 67,873
Balance forward	15,900	21,022	15,343	7,971	3,558
	$64,594	$71,299	$65,175	$ 62,549	$ 70,931
Distribution—					
Dividends	$33,572	$35,955	$35,972	$ 35,994	$ 40,500
Patriotic	......	......	......	2,500	1,125
Reserve	10,000	20,000	20,000	20,000	20,000
Improvements	......	......	1,232	496	2,306
Bal. forward	21,022	15,344	7,971	3,558	7,001
	$64,594	$71,299	$65,175	$ 62,548	$ 70,932

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$448,430	$48,692	8	10.8	6.8
1913	449,450	50,277	8	11.1	6.9
1914	449,650	49,832	8	11.08	6.7
1915	450,000	54,578	8	12.1	7.2
1916	450,000	67,373	9	14.9	8.7

BROCKVILLE LOAN & SAVINGS CO., LTD., BROCKVILLE.

Distribution of Earnings.

	1912.	1913.	1914.	1915.	1916.
Earnings	$34,609	$40,361	$45,837	$51,252	$......
Interest	8,010	9,851	10,961	11,890	......
Expenses	5,950	6,221	6,075	6,592	......
	$13,960	$16,072	$17,036	$18,482	$......
Profits	$20,649	$24,289	$28,801	$32,770	**$34,689
Distribution—					
Dividends	$13,649	$13,977	$15,069	$16,907	$17,489
Reserve	7,000	9,000	12,489	14,000	16,000
Contingent	......	500	......	......	1,200
Written off	......	802	1,242	438	......
Commission	......	......	......	1,125	......
Patriotic	......	......	......	300	......
	$20,649	$24,289	$28,801	$32,770	$34,689

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	*Earn. rate
1912	$227,682	$ 20,649	6	9.0	7.8
1913	236,292	24,289	6	10.4	9.0
1914	264,776	28,801	6	11.4	9.3
1915	289,405	32,770	6	11.6	9.3
1916	294,910	34,689	6	12.0	9.4

*Per cent. capital, reserve and profit at credit of profit and loss.

**After deducting cost of management, commissions, war tax, etc.

B.C. PERMANENT LOAN CO., VANCOUVER.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$313,498	$314,099	$267,407	$232,947	$217,726
Interest	$100,044	$127,611	$119,752	$134,875	$122,556
Expenses	66,606	53,844	63,600	44,872	26,936
	......	......	......	......	10,698
Taxes	$166,650	$181,455	$183,352	$179,747	$160,190
Profits	$146,848	$132,644	$ 84,055	$ 53,200	$ 57,536
Balance Forward	2,066	11,624	14,089	24,600	49,031
	$148,914	$144,268	$ 98,144	$ 77,800	$106,567
Distribution—					
Dividends	$ 74,852	$ 86,755	$ 72,743	$ 23,050	$......
Contingent	15,000	15,000	......	5,000	10,000
Furniture	......	761	799	719	573
Reserve	47,488	27,662	......	......	2,500
Balance	11,624	14,090	24,601	49,031	93,494
	$148,914	$144,268	$ 98,144	$ 77,800	$106,567

Earning Record.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	*Earn. rate
1912	$748,519	$146,848	10	19.6	13.5
1913	867,534	132,644	10	15.1	9.7
1914	909,252	84,055	8	9.2	5.4
1915	921,986	53,200**	5	5.7	3.3
1916	921,986	57,536	..	6.2	3.6

*Per cent. capital reserve and balance at credit of profit and loss.

**The contingent fund at the end of December, includes a sum of $77,268 of accrued interest for which credit has not been taken in the profit and loss account.

CANADA LANDED & NATIONAL INVESTMENT CO., TORONTO.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$400,606	$428,741	$443,907	$454,574	$436,868
Int. on Deb.	$165,439	$173,903	$182,072	$185,812	$191,653
Taxes	2,226	2,434	3,355	3,485	3,140
Management	44,304	49,303	50,528	49,083	48,184
Commissions	19,068	12,799	15,664	10,572	11,315
	$231,037	$238,439	$251,619	$248,952	$254,292
Net profits	$169,569	$190,302	$192,288	$205,622	$182,576
Bal. forward	9,347	6,155	8,007	1,845	12,595
	$178,916	$196,457	$200,295	$207,467	$195,171
Distribution—					
Dividends	$ 88,061	$108,450	$108,450	$108,450	$108,450
Patriotic	......	......	......	1,800	1,500
Reserve	84,700	80,000	90,000	80,000	35,000
War taxes	......	......	......	4,622	10,827
Balance	6,155	8,007	1,845	12,595	39,393
	$178,916	$196,457	$200,295	$207,467	$195,171

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$1,205,000	$169,569	8	14.0	9.2
1913	1,205,000	190,302	9	15.7	8.9
1914	1,205,000	192,288	9	15.9	8.7
1915	1,205,000	205,622	9	17.0	8.9
1916	1,205,000	182,576	9	15.2	7.9

CANADIAN MORTGAGE INVESTMENT CO., TORONTO.

	1912	1913	1914	1915	1916
Earnings	$100,051	$110,549	$120,972	$121,896	$112,472
Bal. forward	35,371	29,015	19,165	13,830	13,230
Premiums	3,478	......	......	......	......
From Contingent	10,000	......	......	......	......
	$148,900	$139,564	$140,137	$135,726	$125,702
Distribution—					
Dividends	$ 69,885	$ 70,399	$ 71,307	$ 72,496	$ 72,667
Reserve	50,000	50,000	40,000	50,000	45,000
*Contingent	......	......	15,000	......	......
Bal. forward	29,015	19,165	13,830	13,230	8,035
	$148,900	$139,564	$140,137	$135,726	$125,702

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$1,200,007	$100,051	6	8.6	7.1
1913	1,200,484	110,549	6	9.5	7.6
1914	1,208,272	120,972	6	10.1	7.9
1915	1,211,116	121,896	6	10.1	7.7
1916	1,218,227	112,472	6	9.3	6.9

*A contingent provision transferred a year later to reserve in addition to the sum of $50,000 from the year's earnings.

CANADA PERMANENT MORTGAGE CORPORATION, TORONTO.

	1912	1913	1914	1915	1916
*Earnings	$826,799	$844,626	$ 876,765	$ 872,105	$ 866,126
Bal. forward	59,228	96,027	130,654	157,420	179,526
	$886,027	$980,654	$1,007,420	$1,029,525	$1,045,652
Distribution—					
Dividends	$540,000	$600,000	$ 600,000	$ 600,000	$ 600,000
Reserve	250,000	250,000	250,000	250,000	250,000
Carried for.	96,027	130,654	157,420	179,525	195,652
	$886,027	$980,654	$1,007,420	$1,029,525	$1,045,652

*After interest, taxes, and expenses and all charges and losses.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$6,000,000	$826,799	9	13.7	8.5
1913	6,000,000	884,626	10	14.7	8.8
1914	6,000,000	876,765	10	14.6	8.4
1915	6,000,000	872,105	10	14.5	8.2
1916	6,000,000	866,126	10	14.4	8.0

CANADA TRUST CO., LONDON, ONTARIO.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$41,276	$63,900	$101,068	$117,003	$121,692
Bal. forward	1,172	2,893	8,684	5,386	7,395
	$42,448	$66,793	$109,752	$122,389	$129,087
Distribution—					
Dividends	$23,836	$33,637	$ 59,698	$ 59,994	$ 59,994
Reserve	15,719	24,562	44,668	55,000	65,000
Balance	2,893	8,684	5,386	7,395	4,093
	$42,448	$66,883	$109,752	$122,389	$129,087

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$ 476,925	$ 41,276	5	8.6	6.4
1913	672,732	63,990	5	9.5	9.7
1914	1,000,000	101,068	6	10.1	10.0
1915	1,000,000	117,009	6	11.7	8.4
1916	1,000,000	121,692	6	12.1	8.6

CAPITAL TRUST CORPORATION, OTTAWA.

Distribution of Earnings.

	1914	1915	1916
Earnings	$2,232	$2,499	$5,029
Balance forward	2,140	4,372	6,872
	$4,372	$6,871	$11,901
Carried forward	4,372	6,871	11,901

CENTRAL CANADA LOAN & SAVINGS CO., TORONTO.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Bal. forward	$ 25,304	$ 32,807	$ 43,623	$ 84,190	$ 23,242
Net profits	282,503	285,816	215,567	214,052	221,511
	$307,897	$318,623	$259,190	$298,242	$244,753
Distribution—					
Dividends	$175,000	$175,000	$175,000	$175,000	$175,000
Reserve	100,000	100,000	......	100,000	......
Balance for'd	32,807	43,623	84,190	23,242	57,053
Patriotic	......	......	......	......	12,700
	$307,897	$318,623	$259,190	$298,242	$244,753

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$1,750,000	$282,504	10	16.1	8.5
1913	1,750,000	285,816	10	16.3	8.3
1914	1,750,000	215,567	10	12.3	6.0
1915	1,750,000	214,052	10	12.2	6.0
1916	1,750,000	221,511	10	12.7	6.3

COLONIAL INVESTMENT AND LOAN CO., TORONTO.

Distribution of Earnings

	1911	1912	1913	1914	1915	1916
Earnings*	$195,938	$310,398	$206,867	$193,293	$196,923	$167,066
Inter. no Terminating Stock	380	238	......	......	......	......
Profit	$195,558	$310,160	$206,867	$193,293	$196,923	$167,066
Bal. for'd	7,703	20,361	32,988	38,905	52,703	53,966
	$203,261	$330,521	$239,855	$232,199	$249,626	$221,032
Distribution—						
Dividends	$122,139	$122,265	$146,865	$134,790	$122,022	$147,219
Written off Real est'te	14,187	20,338	18,108	13,973	32,599	11,869
Furniture	1,356	1,184	976	732	439	480
R. E. Res.	5,217	3,743	10,000	10,000	10,000	10,000

CANADIAN GUARANTY TRUST COMPANY

HEAD OFFICE, BRANDON, MAN.

Authorized Capital - - $2,000,000 Subscribed Capital - - $600,000

BOARD OF DIRECTORS:

Alex. C. Fraser, President · Lieut.-Col. A. L. Young, Vice-President · John R. Little, Managing Director

Hon. Geo. W. Brown · E. O. Chappell · G. S. Munro · Alex. A. Cameron

Wm. Ferguson · J. S. Maxwell · Hon. W. M. Martin · Jno. E. Smith

H. L. Aldolph · J. A. MacDonald · F. N. Darke · D. A. Reesor

Acts as Executor, Administrator, Trustee, Guardian, Committee, Assignee, Receiver, etc.
Moneys invested for clients in First Mortgages, on improved farms only, on either a Guaranteed or Agency basis, as arranged, to yield the best rates consistent with safety.
OUR AGENCY DEPARTMENT is fully organized for the Management of Properties, Collection of Rents, Accounts, Interest and the buying and selling of Real Estate for clients.

CORRESPONDENCE SOLICITED.

The Real Estate Loan Company of Canada, Limited

ESTABLISHED UNDER DOMINION CHARTER, 1883

DIRECTORS:

M. H. Aikins, M.D., President · E. Douglas Armour, K.C., Vice-President

William A. Cooke · Edmund Wragge, M.I.C.E. · H. W. Mickle

E. L. MORTON, Manager

Financial Agents in Scotland: MARTIN CURRIE & CO., C.A., Edinburgh.
Bankers in Canada: IMPERIAL BANK OF CANADA.
Bankers in Scotland: THE NATIONAL BANK OF SCOTLAND, Limited.

The debentures of this Company are issued on an especially conservative basis, being limited by by-law to the amount of the fully paid capital and reserve of the Company. As this Company does not take deposits, its debentures are a first charge upon the whole assets of the Company.

Additional information may be obtained from the Head Office of the Company, 2 Toronto St., Toronto, or from the Financial Agents in Scotland.

A SA[illegible] INVESTMENT

Call, write [illegible] satisfy yourself that an investment (large or small) under [illegible] GUARANTEED INVESTMENT PLAN will furnish you not only an attractive rate of interest, paid promptly, but also *absolute security* of the principal.

Executors and Trustees are authorized to invest their trust funds in the above manner.

THE TRUSTS AND GUARANTEE COMPANY LIMITED

JAMES J. WARREN, PRESIDENT · E. B. STOCKDALE, GENERAL MANAGER

BRANTFORD - TORONTO - CALGARY

Reserve ...	40,000	150,000	25,000	15,000	30,000	.....
Pension fd.	.....	.....	.....	5,000	.....	.....
Balance ...	20,362	32,988	38,905	52,708	53,966	51,464
	$203,261	$330,521	$239,855	$232,199	$249,626	$221,032

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$2,446,786	$310,160	5	12.7	11.3
1913	2,448,440	206,867	6	8.5	7.6
1914	2,451,803	193,293	5½	7.9	6.9
1915	2,452,868	196,923	5	8.0	7.9
1916	2,453,995	167,066	6	7.0	6.0

CROWN SAVINGS & LOAN CO., PETROLEA.

Distribution of Earnings.

	1915.	1916.
Earnings	$29,917	$31,568
Interest—		
Debenture	7,690	8,027
Bank	1,413	1,645
Expense	2,859	3,236
Taxes, etc.	501	690
	$12,463	$13,598
Net profits	$17,454	$17,970
Prem. on stock	1,130	260
Balance forward	5,649	6,556
	$24,233	$24,786
Distribution—		
Dividends	$14,177	$14,280
Reserve	3,500	3,500
Balance	6,556	7,006
	$24,233	$24,786

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1915	$236,700	$17,454	6	7.4	5.7
1916	238,000	17,970	6	7.8	5.8

CANADIAN GUARANTY TRUST COMPANY, BRANDON

Distribution of Profits.

	1913	1914	1915	1916
Earnings	$ 31,719	$ 26,820	$ 35,894	$ 32,900
Balance forward	3,044	7,426	7,462	6,959
	$ 34,763	$ 34,246	$ 43,356	$ 39,859
Expenses	18,889	16,351	21,615	19,279
Net profits	$ 15,874	$ 17,895	$ 21,741	$ 20,580
Distribution—				
Dividends	$ 8,448	......	$ 9,390	$ 9,441
Reserve	......	10,000	5,000	5,000
Furniture	......	433	392	433
Balance	7,426	7,462	6,959	5,706
	$ 15,874	$ 17,895	$ 21,741	$ 20,580

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1914	$190,667	$17,895	..	9.4	9.3
1915	191,242	21,741	5	11.4	10.4
1916	192,652	20,580	5	10.7	9.6

DOMINION PERMANENT LOAN CO., TORONTO.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$216,677	$244,451	$238,364	$222,527	$239,852
Interest	$106,789	$110,457	$121,553	$118,599	$128,019
Written off	644	556	607	339	548
Int. on terminating stock	753	358	2,130	885	398
	$108,186	$111,371	$124,290	$119,823	$128,965
Net profits	$108,491	$133,080	$114,074	$102,704	$110,887
Bal. forward	21,598	29,090	55,421	62,943	59,067
	$130,089	$162,170	$169,495	$165,647	$169,954
Distribution—					
Dividends	$ 70,999	$ 71,749	$ 71,552	$ 71,579	$ 71,617
Reserve	30,000	35,000	35,000	35,000	......
Balance	29,090	55,421	62,943	59,067	98,337
	$130,089	$162,170	$169,495	$165,647	$169,954

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$1,197,431	$108,491	6	9.0	6.8
1913	1,200,653	133,080	6	11.1	8.1
1914	1,202,619	114,074	6	9.4	6.7
1915	1,204,871	102,704	6	8.5	5.9
1916	1,205,904	110,887	6	9.2	6.5

DOMINION SAVINGS & INVESTMENT SOCIETY, LONDON.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$112,859	$121,594	$127,283	$115,619	$117,257
Interest—					
Acc. stocks	$ 19	$ 19	$ 23	$ 24	$ 25
Savings	25,137	24,962	21,698	25,005	26,795
Curr. debs.	3,616	3,744	4,509	5,008	5,084
St. debentures	12,307	12,555	13,034	12,420	10,948
Expenses	10,229	11,854	13,721	12,529	11,735
Taxes	987	1,174	1,668	2,527	2,495
Com. account	1,456	1,154	866	725	1,047
	$ 53,751	$ 55,463	$ 55,519	$ 58,238	$ 58,129
Profits	$ 59,108	$ 66,131	$ 71,764	$ 57,381	$ 59,128
From contingent	......	914	......	......	5,129
	$ 59,108	$ 67,045	$ 71,764	$ 57,381	$ 64,257
Distribution—					
Dividend	$ 42,043	$ 42,044	$ 46,715	$ 46,715	$ 46,716
Reserve	15,000	25,000	25,000	10,000	15,000
Contingency	2,064	......	48	665	2,541
	$ 59,108	$ 67,045	$ 71,764	$ 57,381	$ 64,257

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$934,300	$59,108	4½	6.3	5.9
1913	934,300	66,131	4½	7.1	5.9
1914	934,300	71,764	5	7.6	6.2
1915	934,300	57,381	5	6.1	4.9
1916	934,300	59,128	5	6.4	5.3

EASTERN CANADA SAVINGS & LOAN CO., HALIFAX.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$ 77,345	$ 79,675	$ 83,600	$ 89,271	$104,966
Int. on debs.	31,391	32,679	37,564	37,932	41,456
Int. on deposits	5,700	4,609	4,393	6,044	5,613
Management	10,066	10,645	11,130	10,128	11,475
Written off	3,688	2,242	1,513	1,627	2,074
Taxes	......	......	......	......	1,717
	$ 50,845	$ 50,175	$ 54,600	$ 55,731	$ 62,335
Net profits	$ 26,500	$ 29,500	$ 29,000	$ 33,540	$ 42,631
Prem. on stock	.....	.....	.....	.....	27,482
	$ 26,500	$ 29,500	$ 29,000	$ 33,540	$ 70,113
Distribution—					
Dividends	17,500	17,500	20,000	20,000	25,347
Patriotic	......	......	......	1,000	1,150
Reserve	9,000	12,000	9,000	11,000	39,999
War tax	......	......	......	1,540	3,616
	$ 26,500	$ 29,500	$ 29,000	$ 33,540	$ 70,113

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits av. cap.	Earn. rate
1912	$250,000	$26,500	7	10.6	7.4
1913	250,000	29,500	7	11.8	8.0
1914	250,000	29,000	8	11.6	7.6
1915	250,000	33,540	8	13.4	8.7
1916	359,450	42,631	8	12.2	10.6

EAST LAMBTON FARMERS' LOAN & SAVINGS CO., FOREST, ONT.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$ 26,215	$ 26,320	$ 25,916	$ 27,435	$ 26,556
Interest—					
On deposits	$ 6,448	$ 5,956	$ 5,385	$ 5,231	$ 5,758
On debentures	3,348	2,548	3,999	3,292	3,037
General	252	549	110	147	....
Dis. on debentures	355	....	....	....	....
Expenses	1,835	1,987	2,239	1,734	1,712
Adjust. of Assets	....	2,565	....	....	....
	$12,238	$13,605	$11,733	$10,404	$10,507
Net earnings	$13,977	$12,715	$14,183	$17,031	$16,049
Prem. on stock	....	....	2,170	530	700
	$13,977	$12,715	$16,353	$17,561	$16,749
Distribution—					
Dividend	$10,994	$11,497	$12,053	$12,737	$12,916
Reserve	2,982	1,218	4,899	4,225	3,195
Taxes	....	....	....	599	638
	$13,977	$12,715	$16,353	$17,561	$16,749

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1913	$200,000	$ 12,715	6	6.6	5.8
1914	209,825	14,183	6	7.0	6.1
1915	213,250	17,031	6	8.1	7.1
1916	217,000	16,049	6	7.6	6.2

EASTERN TRUST COMPANY, HALIFAX.

Distribution of Profits.

	1912	1913	1914	1915	1916
Earnings	$ 63,331	$ 87,249	$ 91,864	$ 98,585	$107,014
Directors' fees	6,350	6,350	7,000	7,500	7,687
Net profis	$ 56,981	$ 80,899	$ 84,864	$ 91,085	$ 99,327
Stock premium	47,379	48,008	8,797	22,147	....
Balance forward	10,240	8,260	13,556	11,315	26,830
	$114,600	$137.167	$107,217	$124,547	$126,157
Distribution:					
Dividends	$ 42,000	$ 52,952	$ 60,982	$ 75,088	$ 79,832
Patriotic fund	....	....	1,100	1,300	5,000
Writ. off bonds	....	....	3,955	....	....
Furniture	....	....	1,566	629	631
Reserve	64,340	70,660	19,300	20,700	....
Taxes	....	....	....	....	2,696
Balance	8,260	13,555	11,314	26,830	37,998
	$114,600	$137.167	$107,217	$124,547	$126,157

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$ 747,800	$ 56,981	7	9.4	8.0
1913	904,000	80,899	7	10.6	8.1
1914	931,000	84,864	8	9.1	8.0
1915	1,000,000	91,085	8	9.1	7.8
1916	1,000,000	99,327	8	9.9	8.0

EMPIRE LOAN COMPANY, WINNIPEG.

* Distribution of Earnings.

	1912	1913	1914	1915	1916
Balance forward	.....	$ 407	$ 318	$ 1,188	†$ 9,620
*Earn'gs for year	$ 35,176	44,296	66,183	57,459	41,163
Prems. on stock	....	14,184	....	....	....
Distribution—					
	$35,176	$58,887	$66,501	$58,647	$50,783
Dividends	$ 25,664	$ 32,975	$ 45,012	$ 46,378	$ 34,528
Apportioned to shareholders	1,105	593	301	219	172
Written off	....	5,000	....	....	....
Reserve	8,000	20,000	20,000	....	15,000
Balance	407	318	1,188	12,050	1,083
	$35,176	$58,887	$66,501	$58,647	$50,783

* After paying all expenses.
† Less—Business profit tax.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$ 356,172	$35,176	8	11.0	10.8
1913	543,310	44,269	8	10.7	10.0
1914	567,015	66,182	8	11.8	10.8
1915	575,956	57,459	8	9.9	9.0
1916	596,437	41,163	6	7.0	6.3

FRONTENAC LOAN AND INVESTMENT SOCIETY, KINGSTON, ONT.

Distribution of Earnings.

	1913	1914	1915	1916
Earnings	$ 16,856	$ 16,850	$ 17,349	$ 17,372
Interest—				
On debentures	310	200	140	120
On deposits	2,300	2,229	2,070	1,748
Expenses	3,396	3,521	3,639	3,954
	$ 6,006	$ 5,950	$ 5,849	$ 5,822
Net profits	$ 10,850	$ 10,900	$ 11,500	$ 11,550
Dividends	10,000	10,000	11,000	10,000
Balance	850	900	500	1,550
	$ 10,850	$ 10,900	$ 11,500	$ 11,550

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1914	$200,000	$10,900	5	5.4	4.8
1915	200,000	11,500	5	5.8	5 0
1916	200.000	11,550	5	5.8	5.0

GREAT WEST PERMANENT LOAN COMPANY, WINNIPEG

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$281,742	$351,573	$356,879	$307,689	$ ......
Interest—					
On instal. stock	....	777	515	379	....
On debentures	49,155	85,495	100,195	103,643	....
Accr'd and paid	1,291	....	....	....	....
Bank overdraft	5,447	....	....	....	....
Bank interest and charges	....	....	11,903	....	....
	$55,893	$86,272	$112,613	$104,022	....
Net profits	$225,849	$265,301	$244,266	$203,667	*$208,253
Distribution—					
Dividends	184,406	206,488	213,677	192,001	192,509
Reserve	38,235	51,943	26,091	7,061	....
Office furniture	3,208	6,870	4,498	4,605	....
	$225,849	$265,301	$244,266	$203,667	$15,744

* After providing for expenses and taxes.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$2,247,298	$225,849	9	11.0	8.6
1913	2,356,025	265,301	9	11.6	9.1
1914	2,400,484	244,266	9	10.1	7.9
1915	2,410,925	203,667	†8	8.4	6.6
1916	2,411,862	208,253	8	8.7	6.7

† For first half of year 9 per cent. was paid and 7 per cent. in the last half.
* After deducting expenses, interest and all other charges, etc.

GREY AND BRUCE LOAN CO., OWEN SOUND.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$ 38,420	$ 40,547	$ 42,899	$ 44,746	$ 44,530
Interest—					
Debentures	$ 6,477	$ 7,138	$ 7,255	$ 8,081	$ 6,050
Deposits	1,102	1,101	1,281	2,102	3,211
Taxes	1,251	1,331	1,596	1,739	1,676
Fees	379	372	333	312	339
Expenses	2,579	2,597	2,619	2,730	2,714
	$11,788	$12,539	$13,075	$14,964	$13,990
Net profits	$ 26,632	$ 28,008	$ 29,824	$ 29,782	$ 30,540
Prem. on stock	3,368	322	73	....	17
Balance forward	92	81	32	230	108
	$30,092	$28,411	$29,929	$30,012	$30,665
	1912.	1913.	1914.	1915.	1916.
Distribution—					
Dividends	25,011	26,478	26,599	26,634	26,640
Patriotic	....	....	....	....	500
Reserve	5,000	1,900	3,100	3,000	3,000
War tax	....	....	....	271	439
Balance	81	32	230	107	86
	$30,092	$28,410	$29,929	$30,012	$30,665

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$440,880	$26,632	6	7.6	6.8
1913	442,730	28,008	6	6.7	6.0
1914	443,895	29,824	6	6.7	6.1
1915	443,895	29,782	6	6.7	5.8
1916	444,145	30,540	6	7.0	6.2

GUELPH AND ONTARIO INVESTMENT AND SAVINGS SOCIETY, GUELPH.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$216,022	$228,505	$248,647	$264,183	$281,957
Interest—					
Depos. and debs.	16,134	14,757	102,839	112,120	115,234
Cur. debentures	62,795	68,936	....	....	....
Sterling deben.	7,370	8,015	....	....	....
Commission	4,402	4,657	5,665	1,267	367
Taxes	1,982	2,076	2,827	3,210	2,969
Expenses	18,710	21,007	22,792	22,629	21,783
	$111,393	$119,448	$134,123	$139,226	$140,353
Profits	$104,629	$109,057	$114,524	$124,957	$141,604
Prem. on stock	....	38,044	7,177	3,861	2,040
Brought forward	10,492	12,721	13,647	17,169	26,671
	$115,121	$159,822	$135,348	$145,985	$170,315
Divdends	$ 52,400	$ 58,131	$ 60,500	$ 62,676	$ 69,223
Reserve	50,000	88,044	57,177	53,861	52,040
Patriotic Fund	....	....	500	....	1,000
War tax	....	....	....	2,777	9,936
Forward	12,721	13,646	17,169	26,671	38,116
	$115,121	$159,822	$135,348	$145,987	$170,315

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$ 524,000	$104,629	10	19.9	11.3
1913	594,370	109,057	10	18.3	10.6
1914	608,310	114,524	10	18.4	9.9
1915	643,695	124,957	10	19.4	10.2
1916	711,983	141,604	10	20.0	10.9

Estate and Executor

Seldom does it happen that an estate consists only of the kind of property familiar to the personal executor who takes it in hand.

Usually there is some regarding which he is inexperienced. Often there is a great deal.

This means that the executor learns, so far as this property is concerned, by experience—as he goes along—and often at the expense of the estate.

Where this Company acts as executor, the reverse is true. Years of experience have taught its officers the direct way of dealing with property problems, without unnecessary expense or loss of time.

Write for Booklet.

National Trust Company-Limited

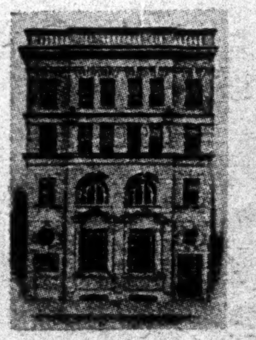
Capital Paid-up $1,500,000 — Reserve $1,500,000

18-22 King Street East, Toronto

MONTREAL WINNIPEG EDMONTON
REGINA SASKATOON

London (England) Representative:—
A. L. NUNNS
28 Bishopsgate, London, E.C. 2

Canadian Mortgage Investment Company



Canadian Mortgage Building, Toronto.

Capital and Surplus, $2,000,000.

TO INVESTORS

Tired of Stock Exchange Losses, and the Fictitious Securities of Over-Capitalized Mergers, this Company Offers

5% INTEREST BEARING DEBENTURES

—a Reliable Security Based on First Mortgages and Subject to no Risks.
To the careful investor, not Speculator, they present, both as to Safety of Principal and Certainty of Income,

THE IDEAL INVESTMENT.

BOARD OF DIRECTORS:

L. A. HAMILTON, President,
Late Land Commissioner, Canadian Pacific Railway Co.
H. S. OSLER, K.C., Vice-President.
Messrs. McCarthy, Osler, Hoskin & Harcourt.
D. B. HANNA,
Vice-President Canadian Northern Railway.
JOSEPH HENDERSON,
Vice-President Bank of Toronto; Director Confederation Life Association.
HON. WALLACE NESBITT, K.C.,
Formerly Justice of the Supreme Court of Canada; President Canadian Niagara Power Company.
F. W. G. FITZGERALD, Managing Director,
Chairman Debenture and Securities Corporation of Canada.

The Net Income of the Company available for payment of Debenture Interest in 1915 was equal to FIVE TIMES the amount required.

This Company's Debentures are authorized as a TRUSTEE INVESTMENT by special Order-in-Council.

HAMILTON PROVIDENT AND LOAN SOCIETY HAMILTON, ONT.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$295,705	$300,958	$313,882	$319,248	$322,822
Interest	107,205	108,147	108,067	108,393	104,193
Expenses	31,023	32,548	33,076	33,355	29,690
Com. on loans	5,814	4,531	3,195	3,912	3,906
Inspect'n of land	5,893	5,521	5,775	5,947	5,377
Government tax	2,030	2,169	2,927	3,095	3,081
	$151,965	$152,916	$153,040	$154,702	$146,247
Net earnings	$143,740	$148,042	$160,842	$164,546	$176,575
Distribution—					
Dividends	$ 81,200	$ 88,422	$ 96,000	$ 96,000	$ 96,000
Reserve	60,000	58,000	59,000	60,000	75,000
Contingent	1,340	219	3,913	5,448	2,030
War tax	......	......	......	3,097	3,544
Improvements	1,200	1,400	1,930	......	......
	$143,740	$148,041	$160,843	$164,546	$176,575

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	1,160,000	$143,739	7	12.4	7.4
1913	1,200,000	148,042	7	12.6	7.4
1914	1,200,000	160,843	8	13.4	7.8
1915	1,200,000	164,546	8	13.7	7.6
1916	1,200,000	176,575	8	14.7	8.1

HOME INVESTMENT AND SAVINGS ASSOCIATION, WINNIPEG, MAN.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$161,460	$172,396	$179,747	*$127,843	*$115,153
Expenses	35,204	36,548	43,708	......	......
Taxes	1,535	1,250	1,352	1,293	1,249
	$ 36,739	$ 37,798	$ 45,060	$ 1,293	$ 1,249
Net profits	$124,721	$134,598	$134,687	$126,550	$113,904
Balance forward	2,548	6,641	3,973	15,295	23,785
Stock premiums	7,340	1,674	30,137	1,305	321
	$134,609	$142,913	$168,797	$143,150	$138,010
Distribution—					
Dividends	$76,592	$ 77,414	$ 83,067	$ 87,650	$ 88,476
Reserve	50,000	60,000	65,000	......	......
Agts. guar. fund	500	1,000	1,000	500	......
Office furniture	875	527	4,134	......	......
Patriotic Fund	......	......	300	1,200	1,198
War tax	......	......	......	2,292	1,700
Balance	6,641	3,973	15,295	26,508	21,636
Contingent	......	......	......	25,000	25,000
	$134,608	$142,914	$168,796	$143,150	$138,010

*After deducting expenses, etc.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$856,511	$124,721	9	14.5	10.7
1913	862,490	134,598	9	15.6	10.8
1914	969,300	134,687	9	14.5	9.8
1915	981,726	126,551	9	13.0	8.5
1916	984,481	113,904	9	11.7	7.5

HURON AND ERIE MORTGAGE CORPORATION, LONDON, ONT.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$335,163	$371,970	$409,844	$428,197	$440,310
Taxes	2,943	3,382	4,728	5,821	7,902
Profits	$332,220	$368,598	$405,116	$422,376	$432,408
Balance forward	90,222	184,208	70,796	22,345	40,662
	$422,442	$552,806	$475,912	$444,721	$473,070
Distribution—					
Dividends	$233,233	$252,000	$278,567	$292,297	$296,474
War tax	......	......	......	10,883	10,396
Pension fund	......	10,000	10,000	10,000	10,000
Red Cross and Patriotic Fund	......	......	5,000	1,500	2,750
Branch exten.	......	10,000	10,000	10,000	10,000
Reserve	......	210,000	150,000	79,378	55,931
Building fund	15,000	......	......	......	......
Balance	184,208	70,796	22,345	40,662	85,519
	$422,442	$552,796	$475,912	$444,720	$473,070

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$2,100,000	$332,220	11	16.3	7.8
1913	2,100,000	368,588	12	17.5	8.4
1914	2,406,201	405,116	12	17.4	8.6
1915	2,458,415	422,376	12	17.3	8.0
1916	2,500,000	432,408	12	17.3	8.1

THE TRUST AND LOAN COMPANY OF CANADA

Incorporated 1845

Capital Subscribed - $14,600,000

Offices in Canada:

MONTREAL WINNIPEG REGINA

Central Canada Loan & Savings Company

(Established 1884)

Capital Paid-up $1,750,000. Reserve Fund $1,750,000.

E. R. WOOD
President and Managing-Director

H. C. COX
Vice-President

G. A. MORROW
Vice-President and Ass't.-Manager

A. B. FISHER
Secretary

DEPOSITS received in sums of $1.00 and upwards, upon which interest is paid or compounded half-yearly.

DEBENTURES issued in sums of $100.00 and upwards, payable in from one to five years, or upon sixty days' notice.

Surplus Security FOR Depositors and Debenture Holders

Total Assets Dec. 31st, 1916	$ 9,472,824.96
Uncalled Capital	750,000.00
Total	$10,222,824.96
Amount due depositors and debenture holders, Dec. 31st, 1916	5,872,021.73
SURPLUS	$4,350,803.23

Debentures of this Company are authorized as a Trustee Investment by Special Order-in-Council.

OFFICES:

Cor. King and Victoria Sts., Toronto. 437 George St., Peterboro.

INDUSTRIAL MORTGAGE AND SAVINGS COMPANY, SARNIA, ONT.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$ 99,031	$104,684	$111,804	$114,164	$124,677
Interest—					
Debenture	$ 18,738	$ 21,083	$21,368	$ 22,241	$ 24,317
Deposits	21,839	20,943	21,088	21,801	23,359
General	541	......	......	......	......
Expenses	6,256	6,917	8,797	9,717	8,279
Registration	130	130	155	155	155
Rent	400	400	245	......	......
Taxes	509	559	1,107	1,258	1,623
Com. on loans	821	965	534	274	780
	$ 49,234	$ 50,997	$ 53,294	$ 55,446	$ 58,513
Net profits	$ 49,797	$ 53,687	$ 58,510	$ 58,718	$ 66,164
Prem. on stock	10,875	10,000	14,000	......	950
Balance forward	......	......	......	......	2,036
	$ 60,672	$ 63,687	$ 72,510	$ 58,718	$ 69,150
Distribution—					
Dividends	$ 34,533	$ 39,002	$ 41,288	$ 41,889	$ 45,074
Rest	26,138	24,684	31,222	14,011	20,000
War tax	......	......	......	782	1,177
Balance	......	......	......	2,036	2,899
	$ 60,671	$ 63,686	$ 72,510	$ 58,718	$ 69,150

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1913	$563,089	$53,687	7	9.5	6.9
1914	598,056	58,510	7	9.8	7.1
1915	599,122	58,718	7	10.5	6.6
1916	601,297	66,164	7	11.0	7.3

INVESTORS' MORTGAGE SECURITY CO., SCOTLAND

Distribution of Profits.

	1912	1913	1914	1915	1916
Earnings	$484,915	$581,420	$639,180	$615,555	$682,015
Div. Fees	$ 21,770	$ 24,295	$ 27,520	$ 28,580	$ 28,595
Expenses	18,640	19,275	25,095	28,935	25,905
Interest	119,160	138,010	152,725	163,160	158,110
Income tax	......	......	......	......	74,255
	$159,570	$181,580	$205,340	$220,675	$286,865
Profits	$325,345	$399,840	$433,840	$394,870	$395,150
Balance forward	11,520	7,075	9,525	47,485	85,270
	$336,865	$406,915	$443,365	$442,355	$480,420
Dividends	$234,790	$292,335	$352,135	$318,375	$295,865
Reserve	95,000	35,055	14,555	......	......
Contingent	......	70,000	29,190	38,710	110,030
Balance	7,075	9,525	47,485	85,270	74,525
	$336,865	$406,915	$443,365	$442,355	$480,420

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$3,750,000	$325,345	9½	8.8	8.2
1913	5,000,000	399,840	10½	8.0	8.1
1914	5,000,000	433,840	10½	8.6	6.6
1915	5,000,000	394,870	10½	7.8	5.9
1916	5,000,000	395,150	11	7.9	6.0

In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £.

LANDED, BANKING AND LOAN CO., HAMILTON.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings*	$199,543	$210,437	$223,178	$234,982	$246,108
Interest—					
Deposits	$ 30,110	$ 30,641	$ 31,514	$ 34,955	$ 40,114
Debentures	42,096	43,914	40,198	40,516	40,873
Taxes	1,551	1,859	2,524	2,590	2,709
Expenses	25,198	27,780	26,270	25,677	26,962
	$98,955	$104,194	$100,506	$103,738	$110,658
Profits	$100,588	$106,243	$122,672	$131,244	$135,450
Prem. on stock	....	45,915	9,775	2,304	2,006
Brought forward	2,284	8,057	1,959	827	3,163
	$102,872	$160,215	$134,406	$134,375	$140,619
Distribution—					
Dividends	$ 49,000	$ 63,254	$ 76,846	$ 78,643	$ 79,905
Off premises	814	....	533	....	....
Reserve	45,000	95,000	55,000	50,000	50,000
War tax	....	....	....	2,566	3,516
Patriotic funds	....	....	1,200	....	850
Forward	8,057	1,960	826	3,163	6,348
	$102,871	$160,214	$134,405	$134,372	$140,619

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate.
1912	$ 700,000	$100,588	7	14.3	8.5
1913	929,126	106,243	7½	12.6	7.8
1914	978,500	122,672	8	12.7	7.7
1915	987,970	131,244	8	13.3	7.9
1916	1,000,000	135,450	8	13.5	8.1

LONDON AND CANADIAN LOAN AND AGENCY CO., TORONTO.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$325,890	$351,056	$366,102	$374,127	$359,080
Interest	$134,424	$135,913	$139,067	$138,722	$133,123
Managament	19,364	19,552	19,629	19,349	20,491
Expenses	30,878	26,529	27,334	21,587	25,433
Taxes	....	898	1,826	*5,011	*17,799
Total charges	$184,666	$182,892	$187,856	$184,669	$196,846
Net profits	$141,224	$168,164	178,245	$189,458	$162,234
Brought forward	15,361	16,745	17,828	35,376	23,734
	$156,585	$184,909	$196,073	$224,834	$185,968
Distribution—					
Dividends	70,841	87,079	99,998	100,000	100,000
Rest	69,000	80,000	60,000	100,000	75,000
Patriotic grants	......	......	700	1,100	2,950
Balance	16,745	17,828	35,375	23,734	8,018
	$156,585	$184,909	$196,073	$224,834	$185,968

*This includes the Dominion War Tax.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$1,000,000	$141,224	7	14.1	10.0
1913	1,243,760	168,164	7½	13.5	9.8
1914	1,250,000	178,245	8	15.0	10.4
1915	1,250,000	189,458	8	15.7	9.9
1916	1,250,000	162,234	8	13.5	8.2

THE LONDON LOAN AND SAVINGS COMPANY OF CANADA, LONDON, ONT.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$157,359	$179,602	$184,984	$211,926	$192,[illegible]
Interest—					
Deposits	17,326	15,781	11,806	13,311	17,[illegible]
Debentures	42,538	44,160	46,124	54,349	67,[illegible]
Other	457	1,312	631	......	......
Commissions	3,855	3,000	5,464	1,936	1,4[illegible]
Expense	17,006	16,789	16,279	20,334	18,4[illegible]
Taxes	2,121	1,007	1,583	3,578	5,54[illegible]
Bank chgs.	......	......	......	......	304
	$ 83,305	$ 82,049	$ 81,987	$ 93,508	$110,90[illegible]
Profits	$ 74,054	$ 97,553	$102,997	$118,419	$ 81,325
Bal. forward	2,390	2,757	3,625	2,393	1,690
	$ 76,443	$100,307	$106,623	$120,810	$ 83,015
Dividends	$ 43,686	$ 47,186	$ 51,230	$ 52,520	$ 53,0[illegible]
Stock bonus	......	19,496	10,000	12,500	......
Reserve	30,000	30,000	40,000	40,000	......
Bonus appr.	......	......	1,700	13,500	......
Patriotic Fund	......	......	1,300	600	100
Balance	2,757	3,625	2,393	1,690	29,894
	$ 76,443	$100,307	$106,623	$120,810	$ 83,015

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate.
1912	$740,866	$ 74,052	6	10.1	8.0
1913	839,227	97,552	6+2	12.4	9.6
1914	857,224	102,997	6+1	12.0	9.3
1915	882,889	118,417	6+1¼	13.5	10.0
1916	884,283	81,325	6	9.2	6.7

LONDON AND WESTERN TRUSTS CO., LONDON, ONT.

Distribution of Profits.

	1912	1913	1914	1915	1916
Earnings	$29,922	$37,368	$45,676	$53,486	$54,451
Balance	5,365	4,805	3,702	3,871	7,735
	$35,287	$42,173	$49,378	$57,357	$62,186
Distribution—					
Dividends	$20,482	$23,471	$30,507	$34,623	$35,000
Reserve	10,000	15,000	15,000	15,000	15,000
Balance	4,805	3,702	3,871	7,734	9,386
War Tax	......	......	......	......	2,800
	$35,287	$42,173	$49,378	$57,357	$62,186

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$350,000	$ 29,922	6	8.8	7.2
1913	400,000	37,368	6	9.5	8.6
1914	484,195	45,676	6½	9.7	9.4
1915	500,000	53,486	7	10.8	9.2
1916	500,000	54,451	7	10.9	8.6

LAMBTON LOAN AND INVESTMENT COMPANY, SARNIA, ONT.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$151,492	$155,828	$154,932	$162,038	$180,222
Interest—					
Debentures	$ 20,893	$ 17,822	$ 18,986	$ 21,600	$ 22,390
Deposits	30,347	33,246	33,112	32,069	40,354
Taxes	518	518	......	......	3,944
Expenses	8,700	9,315	11,684	13,568	12,958
Commissions	1,573	176	1,145	656	164
	$ 62,031	$ 61,077	$ 64,927	$ 68,794	$ 79,810
Profits	$ 89,461	$ 94,750	$ 90,005	$ 93,244	$100,412
Distribution—					
Reserve	$ 15,000	$ 20,000	$ 20,000	$ 25,000	$ 29,335
Dividends	71,078	71,078	63,180	63,180	71,077
Contingent	3,383	3,672	6,825	5,063	......
	$ 89,461	$ 94,750	$ 90,005	$ 93,244	$100,412

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$789,750	$ 89,460	9	11.8	6.4
1913	789,750	94,750	9	12.1	6.8
1914	789,750	90,004	8	11.4	6.4
1915	789,750	93,243	8	11.8	6.0
1916	789,750	100,412	8	12.7	6.9

MERCANTILE TRUST COMPANY OF CANADA, HAMILTON.

Distribution of Profits.

	1913.	1914.	1915.	1916.
*Profits	$41,831	$38,713	$43,066	$43,790
Bal. forward	866	4,461	6,727	9,103
Prem. on stock	640	65	165	135
Contingent fund	......	5,000	......	......
	$43,337	$48,239	$49,958	$53,028
Distribution—				
Dividends	$23,876	$27,511	$27,783	$28,096
Reserve for dep.	......	12,500	12,500	......
Premises	......	1,000	......	3,800
Furniture	......	436	406	......
Reserve	10,000	65	165	135
Contingent	5,000	......	......	......
Bal. forward	4,461	6,727	9,104	20,997
	$43,337	$48,239	$49,958	$53,028

*After deduction of expenses, ordinary and special war taxes.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$336,100	$ 40,315	6	12.6	11.3
1913	452,100	41,830	6	10.5	9.0
1914	461,000	38,713	6	8.3	7.2
1915	466,800	43,066	6	9.2	8.0
1916	469,500	43,790	6	9.4	8.1

MIDLAND LOAN AND SAVINGS CO., PORT HOPE.

Distribution of Earnings.

	1912.	1913.	1914.	1915.	1916.
Earnings	$83,767	$85,286	$88,066	$89,157	$88,410
Interest—					
Dep. and Deb.	31,984	33,535	33,257	34,345	34,996
Expenses	9,888	9,803	9,381	8,653	8,747
Commissions	1,354	1,172	1,184	570	341
Taxes	513	513	733	753	2,284
Office Bldg.	......	587	......	......	......
	$43,739	$45,619	$44,555	$44,321	$46,367
Profits	$40,028	$39,676	$43,511	$44,836	$42,043
Bal. forward	8,657	11,268	6,484	10,641	15,731
Surplus	$48,685	$50,944	$49,995	$55,477	$57,774
Distribution—					
Dividends	$27,000	$28,800	$28,800	$28,800	$28,800
War tax	......	......	*500	944	......
Reserve	10,000	15,000	10,000	10,000	10,000
Bal. forward	11,267	6,484	10,641	15,731	18,974
Written off	417	657	53	......	......
	$48,685	$50,944	$49,995	$55,477	$57,774

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$360,000	$ 40,028	7½	11.1	7.1
1913	360,000	39,676	8	11.0	6.9
1914	360,000	43,511	8	12.0	7.2
1915	360,000	44,836	8	12.4	7.4
1916	360,000	42,043	8	11.6	6.3

*A subscription to Patriotic Fund.

MONTREAL LOAN AND MORTGAGE CO., MONTREAL.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$106,631	$10[illegible]	$109,746	$111,757	$115,[illegible]
Interest—					
Debenture	4,[illegible]	[illegible]	4,[illegible]	7,886	8,067
Deposit	13,[illegible]	14,411	14,[illegible]	11,056	10,[illegible]
Special	150	17	......	......	......

Expenses	12,834	12,585	12,519	12,385	12,507
Deductions	$ 30,528	$ 29,463	$ 31,807	$ 31,327	$ 31,563
Year's profits	$ 76,103	$ 77,426	$ 77,939	$ 80,430	$ 83,502
Bal. forward	9,529	21,632	19,057	35,997	55,277
Total surplus	$ 85,632	$ 99,058	$ 96,996	$116,427	$138,779
Distribution—					
Dividends	$ 54,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000
Reserve	10,000	20,000	......	......	......
Patriotic Fund	......	......	1,000	......	1,100
War tax	......	......	......	1,149	1,173
Balance	21,632	19,058	35,996	55,278	76,506
	$ 85,632	$ 99,058	$ 96,996	$116,427	$138,779

Distribution of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$600,000	$ 76,103	9	12.6	6.5
1913	600,000	77,425	10	12.9	6.2
1914	600,000	77,939	10	12.9	6.2
1915	600,000	80,430	10	13.4	6.4
1916	600,000	83,502	10	13.9	6.5

MORTGAGE CORPORATION OF NOVA SCOTIA, HALIFAX.

Distribution of Earnings.

	1912.	1913.	1914.	1915.	1916.
Earnings	$43,575	$48,343	$52,310	$55,150	$57,211
Interest—					
Debentures, etc.	$11,918	$12,149	$13,469	$13,288	$13,214
Deposits	1,130	1,414	1,060	1,523	1,871
Cap. calls	2,115	2,032	1,958	1,594	1,034
Expenses	7,362	7,886	8,070	8,421	8,781
Total charges	$22,525	$23,481	$24,557	$24,826	$24,900
Net profits	$21,050	$24,862	$27,753	$30,324	$32,311
Bal. forward	223	68	154	32	228
Total	$21,273	$24,930	$27,907	$30,356	$32,539
Distribution—					
Dividends	$13,279	$14,935	$16,871	$18,627	$20,383
Directors	500	500	500	500	700
Reserve	7,000	7,000	7,000	9,000	9,000
Contingent	......	......	400	......	......
Written off R.E.	208	2,167	3,014	2,000	2,000
Furniture	217	173	88	......	......
Balance	69	154	32	229	456
	$21,273	$24,930	$27,907	$30,356	$32,539

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$282,382	$ 21,050	6	9.5	7.7
1913	305,503	24,862	6	9.9	8.0
1914	331,130	27,753	6	9.8	8.0
1915	350,254	30,324	6	9.7	8.9
1916	384,310	32,311	6	9.8	8.6

NATIONAL TRUST COMPANY, TORONTO.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$242,942	$252,022	$237,869	$229,153	$236,254
Bal. forward	21,823	14,765	16,788	54,657	73,560
	$264,765	$266,787	$254,657	$283,810	$309,814
Distribution—					
Dividends	$150,000	$150,000	$150,000	$150,000	$150,000
Premises	......	......	50,000	50,000	50,000
Red Cross	......	......	......	10,250	13,500
Reserve	100,000	100,000	......	......	......
Balance	14,765	16,787	54,657	73,560	96,314
	$264,765	$266,787	$254,657	$283,810	$309,814

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$1,500,000	$242,942	10	16.1	8.3
1913	1,500,000	252,022	10	16.8	8.7
1914	1,500,000	237,869	10	15.8	7.8
1915	1,500,000	229,153	10	15.3	7.5
1916	1,500,000	236,254	10	15.7	7.7

NORTHERN MORTGAGE COMPANY OF CANADA, WINNIPEG.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$ 74,587	$ 87,288	$109,419	$113,359	$113,057
Balance forward	8,199	23,581	51,865	88,318	118,110
	$ 82,786	$110,869	$161,284	$201,677	$231,167
Distribution:					
Dividends	$ 59,205	$ 59,004	$ 72,966	$ 83,567	$ 88,517
Balance forward	23,581	51,865	88,318	118,110	142,650
	$ 82,786	$110,869	$161,284	$201,677	$231,167

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$1,091,848	$ 74,587	5	6.3	6.2
1913	1,394,058	87,288	5	7.4	7.1
1914	1,617,392	109,419	5	7.5	7.1
1915	1,726,873	113,359	5	6.7	6.2
1916	1,814,322	113,057	5	6.5	6.2

NORTHERN TRUSTS COMPANY, WINNIPEG.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$147,786	$168,406	$166,092	$162,524	$154,113
Balance forward	174,238	225,604	290,887	337,071	123,022
	$322,024	$394,010	$456,979	$499,595	$277,135
Distribution—					
Dividends	$ 96,420	$103,123	$119,909	$120,000	$120,000
Reserve	.....	.....	.....	250,000	50,000
Balance	225,604	290,887	337,070	129,595	107,135
	$322,024	$394,010	$456,979	$499,595	$277,135

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$1,452,980	$147,786	7	10.7	9.5
1913	1,498,510	168,406	7	11.4	9.9
1914	1,500,000	166,092	8	11.1	9.0
1915	1,500,000	162,524	8	10.8	8.0
1916	1,500,000	154,113	8	10.3	8.2

OKANAGAN LOAN & INVESTMENT CO., KELOWNA, B.C.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$32,367	$ 61,251	$ 49,409	$ 35,100	$ 36,159
Interest on loans	3,271	5,182	5,824	6,816	5,104
Expenses	6,666	8,776	12,568	11,223	11,714
Taxes	....	....	513	572	747
Depreciation	335	391	176	72	85
	$ 10,272	$ 14,349	$ 19,081	$ 18,683	$ 17,650
Net profits	$ 22,095	$ 46,902	$ 30,328	$ 16,417	$ 18,509
Prem. on shares	1,417	2,647	4,590	550	......
Balance forward	751	31	522	747	920
	$ 24,263	$ 49,580	$ 35,440	$ 17,714	$ 19,429
Distribution—					
Dividends	$ 16,232	$ 21,058	$ 24,692	$ 7,793	$ 7,811
Reserve	8,000	28,000	....	9,000	11,000
Balance	31	522	747	921	618
	$ 24,263	$ 49,580	$ 25,440	$ 17,714	$ 19,429

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1914	$384,840	$ 30,328	7	8.0	7.9
1915	390,560	16,417	2	4.2	3.8
1916	390,560	18,509	2	4.7	4.1

ONTARIO LOAN AND DEBENTURE CO. LONDON, ONT.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$480,691	$495,573	$508,662	$516,127	$506,923
Interest—					
Sterling debs.	$ 75,320	$ 82,900	$ 90,812	$ 91,593	$ 85,748
Currency	60,188	55,369	54,354	55,356	54,920
Deposits	38,534	35,968	34,829	36,647	35,499
Taxes	4,796	5,334	6,636	7,438	8,216
Expenses (Debs.)	8,055	5,339	6,492	3,827	3,811
Commissions, etc.	23,172	21,589	22,376	17,786	18,082
Management	32,083	35,341	35,375	32,896	32,043
	$242,148	$241,840	$250,874	$245,543	$238,319
Net profits	$238,543	$253,733	$257,788	$270,583	$268,319
Balance forward	42,332	40,875	45,859	43,147	50,012
	$280,875	$294,609	$303,647	$313,730	$318,616
Distribution—					
Dividends	$140,000	$148,750	$157,500	$157,500	$157,000
War tax	....	....	....	5,218	7,522
Reserve	100,000	100,000	100,000	100,000	100,000
Patriotic Fund	....	....	3,000	1,000	....
Balance	40,875	45,859	43,147	50,012	53,594
	$280,875	$294,609	$303,647	$313,730	$318,616

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$1,750,000	$238,543	8	13.6	7.6
1913	1,750,000	253,733	8½	14.5	7.8
1914	1,750,000	257,788	9	14.7	7.7
1915	1,750,000	270,583	9	15.4	7.8
1916	1,750,000	268,604	9	15.3	7.6

OXFORD PERMANENT LOAN AND SAVINGS SOCIETY, WOODSTOCK

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$50,812	$50,206	$52,225	$56,105	$56,904
Interest—					
Deposits	$ 8,978	$ 9,044	$ 9,455	$10,710	$11,546
Debentures	9,901	9,831	10,089	10,018	10,164
Bank	11	5	11	9	36
Expenses	5,207	5,907	5,898	6,088	6,368
Taxes	339	341	530	934	1,333
	$24,436	$25,128	$25,983	$27,759	$29,447
Net profits	$26,376	$25,078	$26,242	$28,256	$27,457
Distribution—					
Dividends	$17,426	$18,878	$18,942	$18,956	$18,956
Reserve	8,750	6,200	7,300	9,300	8,500
Contingent	200	......	......	......	......
	$26,376	$25,078	$26,242	$28,256	$27,457

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$290,440	$26,376	6	9.0	6.2
1913	290,440	25,078	6	8.6	5.5
1914	291,640	26,242	6	8.9	5.6
1915	291,640	28,256	6½	9.6	6.8
1916	291,640	27,457	6½	9.4	6.6

OWEN SOUND LOAN & SAVINGS CO., OWEN SOUND

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$ 9,742	$ 11,314	$ 12,388	$ 12,607	$ 13,118
Interest—					
On deposits	1,603	2,351	2,942	3,008	3,226
Bank overdraft	40	169	111	23	......
Expenses	1,009	1,275	1,781	2,125	2,182
	$ 2,652	$ 3,795	$ 4,834	$ 5,156	$ 5,408
Net profits	$ 7,090	$ 7,519	$ 7,554	$ 7,451	$ 7,710
Dividends	6,631	7,099	7,259	7,441	7,613
Balance	459	420	295	10	97
	$ 7,090	$ 7,519	$ 7,554	$ 7,451	$ 7,710

PEOPLE'S LOAN AND SAVINGS CO., LONDON, ONT.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$49,487	$49,908	$53,244	$55,054	$57,084
	$28,621	$28,870	$30,176	$30,742	$32,883
Interest—					
Deposits	$ 6,068	$ 6,369	$ 6,255	$ 6,849	$ 7,380
Terminating cap.	840	......	......	......	......
Advances	103	305	28	......	......
Debentures	2,615	2,796	3,066	3,988	5,828
Taxes, gov. fees	1,514	1,291	1,985	2,672	2,548
Expenses	10,571	10,929	11,734	11,705	9,638
	$21,711	$21,690	$23,068	$25,214	$25,394
Net profits	$27,776	$28,218	$30,176	$29,840	$31,690
Balance forward	845	652	......	1,102	1,193
Distribution—					
Dividends	$24,304	$25,888	$26,775	$27,549	$28,094
Reserve	3,000	2,000	2,000	2,000	3,000
Written off	665	982	299	200	......
Balance	652	......	1,102	1,192	1,789
	$28,621	$28,870	$30,176	$30,742	$32,883

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$418,300	$27,776	6	7.5	6.7
1913	438,238	28,218	6	6.5	6.0
1914	451,873	30,176	6	6.7	6.2
1915	463,621	29,840	6	6.5	5.9
1916	474,394	31,690	6	6.7	6.3

UNION TRUST COMPANY, TORONTO

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$206,401	$200,794	$162,075	$154,524	$127,445
Balance forward	32,541	38,942	39,737	26,812	41,336
	$238,942	$239,736	$201,812	$181,336	$168,781
Distribution—					
Dividend	$100,000	$100,000	$100,000	$100,000	$100,000
Reserve	100,000	100,000	......	......	......
Depreciation	......	......	75,000	40,000	30,000
Balance forward	38,942	39,736	26,812	41,336	36,531
Patriotic	......	......	......	......	2,250
	$238,942	$239,736	$201,812	$181,336	$168,781

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$1,000,000	$206,401	10	20.6	11.6
1913	1,000,000	200,794	10	20.1	10.6
1914	1,000,000	162,075	10	16.2	8.2
1915	1,000,000	154,524	10	15.5	7.8
1916	1,000,000	127,445	10	12.7	6.5

REAL ESTATE LOAN CO., TORONTO

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$90,706	$98,247	$101,717	$100,541	$100,113
Deductions—					
Interest	$25,226	$28,533	$30,156	$29,911	$30,259
Expeness	3,119	911	2,100	996	1,298
Management	9,776	10,607	10,493	10,751	10,631
Taxes	859	939	1,347	2,188	2,756
	$38,980	$40,990	$44,096	$43,846	$44,944
Net earnings	$51,726	$57,257	$57,621	$56,695	$55,169
Balance forward	1,351	3,435	4,492	5,912	6,407
	$53,077	$60,692	$62,113	$62,607	$61,576
Less	1,200	1,200	1,200	1,200	1,200
	$51,877	$59,492	$60,913	$61,407	$60,376
Distribution—					
Dividends	$32,441	$35,000	$35,000	$35,000	$35,000
Reserve	16,000	20,000	20,000	20,000	20,000
Balance	3,435	4,492	5,912	6,407	5,376
	$51,877	$59,492	$60,913	$61,407	$60,376

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$500,000	$51,726	6½	10.4	8.0
1913	500,000	57,258	7	11.4	8.6
1914	500,000	57,621	7	11.5	8.5
1915	500,000	56,695	7	11.3	8.1
1916	500,000	55,169	7	11.0	7.7

ROYAL LOAN AND SAVINGS CO., BRANTFORD

Distribution of Earnings.

Earnings	$132,443	$443,253	$139,733	$141,646	$146,195
Interest	55,187	59,587	62,334	62,411	63,485
Expenses	15,548	17,425	19,585	18,745	18,753
	$ 70,736	$ 77,013	$ 81,919	$ 81,156	$ 82,238
Year's profits	$ 61,707	$ 66,240	$ 57,813	$ 60,490	$ 63,957
Balance forward	....	13,002	834	961	917
Premiums	2,200	275	1,065	285	4,140
Total surplus	$ 63,907	$ 79,518	$ 59,712	$ 61,737	$ 69,014
Distribution—					
Dividends	$ 40,342	$ 40,684	$ 43,750	$ 46,853	$ 47,438
War tax	......	......	......	1,415	1,641
Reserve	22,000	38,000	15,000	10,000	15,000
Red Cross	......	......	......	2,550	1,750
Balance forward	1,564	834	961	917	3,185
Total surplus	$ 63,907	$ 79,518	$ 59,712	$ 61,737	$ 69,014

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$580,600	$61,707	7	10.6	7.1
1913	581,700	66,241	7	11.4	7.4
1914	585,250	57,814	7½	9.9	6.1
1915	586,200	60,490	8	10.3	6.3
1916	600,000	63,957	8	10.7	6.7

SASKATCHEWAN MORTGAGE AND TRUST CORPORATION, REGINA

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$30,578	$49,921	$62,295	$65,616	$60,284
Expenses	......	10,580	14,350	14,543	17,251
Interest	12,893	16,111	14,490	8,425	5,856
	$12,893	$26,691	$28,840	$22,968	$23,107
Net profits	$17,685	$23,230	$33,455	$42,648	$37,177
Bal. forward	497	1,038	1,830	1,257	4,205
Total	$18,182	$24,268	$35,285	$43,905	$41,382
Distribution—					
Dividends	$ 9,144	$14,446	$24,605	$33,699	$36,520
Real estate	......	......	3,422	......	......
Reserves	8,000	7,539	6,000	6,000	......
Charter Acct. written off	......	452	......	......	......
Balance	1,038	1,830	1,257	4,205	4,862
Total	$18,182	$24,268	$35,285	$43,905	$41,382

*Interest on accumulated stock.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	†$492,807	$17,685	7	13.5	9.6
1913	621,456	23,230	7	11.2	8.7
1914	710,947	33,455	7	9.5	7.0
1915	733,600	42,648	*7	8.2	7.6
1916	759,686	37,177	6	6.2	5.7

†Paid-up capital and accumulations.

*The rate was reduced to 6% during the last 6 months.

SECURITY LOAN AND SAVINGS COMPANY, ST. CATHARINES, ONT.

Distribution of Earnings.

	1912.	1913.	1914.	1915.	1916.
Earnings	$28,956	$34,811	$30,468	$42,608	$48,065
Balance forward	2,092	2,511	895	1,582	2,412
	$31,048	$37,322	$40,363	$44,190	$50,477
Distribution—					
Dividends	$18,537	$21,427	$23,782	$27,448	$30,521
War taxes	......	......	......	430	692
Patriotic funds	......	......	......	900	750
Reserve	10,000	15,000	15,000	13,000	17,000

OSLER, HAMMOND & NANTON

Investment Brokers, Financial Agents, etc.

Stocks and Bonds bought and sold on commission on Winnipeg, Toronto, Montreal, New York and London (England) Exchanges

REPRESENT:

Loaning.

Law Union & Rock Insurance Co. (Investment Department).
North of Scotland Canadian Mortgage Co., Ltd.
Dominion of Canada Investment & Debenture Co., Ltd.
Northern & Dominions Mortgage Co., Ltd.
Osler & Nanton Trust Co.

Lands.

Calgary & Edmonton Land Co., Ltd.
Canada Saskatchewan Land Co., Ltd.
Winnipeg, Western Land Corporation, Ltd.

Insurance.

Law Union & Rock Insurance Co.
New York Underwriters' Agency.
Western Assurance Company.
Queen Insurance Company.
North Assurance Co., Ltd.

Coal.

Galt Bituminous.
Canadian Anthracite.
American Hard and Soft.
Bankhead Briquettes.

and

OSLER & NANTON TRUST CO.

Corner Main Street and Portage Avenue - - - - WINNIPEG

CANADA PERMANENT MORTGAGE CORPORATION

PAID-UP CAPITAL	$6,000,000.00
RESERVE FUND (earned)	5,000,000.00
ASSETS	32,264,782.81

HEAD OFFICE:

Company's Building, Toronto Street, Toronto, Canada

Branch Offices: Winnipeg, Regina, Edmonton, Vancouver, St. John, N.B.

DIRECTORS:

President—W. G. GOODERHAM
First Vice-President—W. D. MATTHEWS
Second Vice-President—GEORGE W. MONK
LT.-COL. A. E. GOODERHAM
J. H. G. HAGARTY
R. S. HUDSON
JOHN MASSEY
F. GORDON OSLER
E. R. C. CLARKSON
JOHN CAMPBELL, S.S.C., Edinburgh

Joint General Managers:
R. S. HUDSON
JOHN MASSEY

Superintendent of Branches and Secretary:
GEORGE H. SMITH

FIVE PER CENT. DEBENTURES

In sums of $100 and upwards. For terms of one to seven years. Interest paid half-yearly and computed from date on which money is received.

"It is remarkable that in the history of Canadian Mortgage Corporations, not one dollar has ever been lost in these debentures."—*The Monetary Times.*

The Canada Permanent is the oldest, largest and strongest of these Mortgage Corporations. It has a record of more than sixty years of careful, experienced and conservative management. It has grown from a very modest commencement in 1855, to the present time, when its combined Shareholders' Capital amounts to upwards of Eleven Million Dollars. The Debentures it issues, therefore, rank among the most desirable of this highly commended class of investments. At present they may be had bearing interest at

FIVE PER CENT.

Any sum of one hundred dollars and upwards may be invested therein. The Debenture may be made to fall due on a date to suit your convenience and requirements, thus removing the uncertainty connected with some forms of investment as to what price you may be able to obtain for your Bond when you require to use the money. The interest is payable half-yearly, and the coupons may be made to become due on the dates most suitable to you. These Debentures are

A LEGAL INVESTMENT FOR TRUST FUNDS

and have long been a favorite investment of Benevolent and Fraternal Institutions, and of British, Canadian and United States Fire and Life Assurance Companies, largely for deposit with the Canadian Government, being held by such institutions to the amount of more than

ONE MILLION AND A HALF DOLLARS

We shall be pleased to forward a specimen Debenture, Copy of Annual Report and full information to any address we receive.

Associated with the above Corporation and under the same direction and management is

THE CANADA PERMANENT TRUST COMPANY,

incorporated by the Parliament of Canada. This Trust Company accepts and executes Trusts of every description, acts as Executor, Administrator, Liquidator, Guardian, Curator, or Committee of the estate of a Lunatic, etc. Any branch of the business of a legitimate Trust Company will have careful and prompt attention. We have special facilities for the safe and profitable investment of funds, management of property, etc. Those who employ this Company in any of the various capacities in which it can be of service will secure for their business the long experience and conservative management which has placed the parent Corporation in the front rank of Canadian financial institutions. Canada Permanent experience, organization and management mean for its clients the maximum of profit combined with the maximum of safety.

Balance forward	2,511	895	1,581	2,412	1,514
	$31,048	$37,322	$40,363	$44,190	$50,477

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate.
1912	$400,000	$28,956	5	7.8	6.8
1913	450,250	34,811	5	8.2	7.1
1914	496,575	39,468	5	8.3	7.2
1915	500,000	42,608	6	8.5	7.5
1916	521,000	48,065	6	9.2	8.0

SOUTHERN LOAN AND SAVINGS CO., ST. THOMAS

Rate of Earnings.

	1912.	1913.	1914.	1915.	1916.
Earnings		$125,767	$132,522	$135,407	$141,414
Expense—					
Interest		$ 42,374	$ 44,668	$ 45,969	$ 49,360
Expenses		9,294	9,722	9,932	9,902
Directors		444	564	612	572
Taxes		126	121	129	138
License		740	1,284	1,284	1,520
Commissions		2,793	2,988	1,589	2,249
Loss		......	......	......	124
		$ 55,771	$ 59,350	$ 59,467	$ 63,865
Net earnings		69,994	73,202	75,940	77,549
Balance forward		3,654	3,215	4,955	9,134
For distribution		$ 73,648	$ 76,417	$ 80,895	$ 86,683
Dividends		$ 54,433	$ 54,462	$ 54,490	$ 54,537
Off buildings		1,000	1,000	1,000	2,000
Patriotic fund		......	1,000	......	500
To reserve		15,000	15,000	15,000	15,000
War tax		......	......	1,270	1,383
Balance		3,215	4,955	9,134	12,012
Safe and vault		......	......	......	1,250
		$ 73,648	$76,417	$ 80,895	$ 86,683

Year	Paid-up Capital	Net Profits	Div.	% Profits Capital	Earn Rate.
1912	$907,150	$67,960	6	7.5	6.4
1913	907,500	69,994	6	7.7	6.5
1914	907,950	73,202	6	8.0	6.6
1915	908,950	75,940	6	8.3	6.7
1916	908,950	77,549	6	8.6	7.0

STANDARD RELIANCE MORTGAGE CORPORATION, TORONTO

Distribution of Earnings.

	1913.	1914.	1915.	1916.
Earnings	†$351,336	†$335,032	†$382,752	$386,377
Interest	122,521	150,468	155,140	170,744
Taxes	......	......	......	10,109
	$122,521	$150,468	$155,140	$180,853
Profits	$228,815	$184,564	$227,612	$205,524
Balance forward	3,091	39,751	5,337	13,726
	$232,506	$224,315	$232,949	$219,250
Distribution—				
Dividends	$118,471	$188,978	$179,223	$179,506
Reserve	100,000	......	40,000	35,000
Contingent	......	30,000	......	......
Balance	14,035	5,337	13,726	4,744
	$232,506	$224,315	$232,949	$219,250

†After deduction of management expenses and making provision for all known losses.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1915	$2,568,867	$227,612	7	8.8	7.2
1916	2,582,140	205,524	7	8.0	6.6

Note.—In the above tabulation under head of distribution of earnings the figures under the head of 1914 are the combined loss and gain of the Standard and Sun and Hastings, which makes it unpracticable to determine the rate of earnings.

THE STANDARD TRUSTS COMPANY, WINNIPEG

Distribution of Earnings.

	1912.	1913.	1914.	1915	1916.
Earnings	$104,982	$135,348	$118,155	$ 98,265	$ 87,919
Balance forward	3,619	3,601	3,027	3,682	4,448
Premiums on stock	......	62,500	......	......	......
	$108,601	$201,449	$121,182	$101,947	$ 92,367
Less war tax	......	......	......	......	4,380
	$108,601	$201,449	$121,182	$101,947	$ 87,987
Distribution—					
Dividends	$ 42,500	$ 60,922	$ 67,500	$ 67,500	$ 67,500
Reserve	62,500	137,500	25,000	30,000	......
Contingencies	......	......	25,000	......	......
Balance	3,601	3,027	3,682	4,448	20,487
	$108,601	$201,449	$121,182	$101,947	$ 87,987

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$500,000	$104,982	8½	20.9	14.9
1913	750,000	135,348	9	20.0	14.3
1914	750,000	118,155	9	15.7	10.2
1915	750,000	98,265	9	13.2	8.1
1916	750,000	87,919	9	11.7	7.1

SECOND INVESTORS' MORTGAGE SECURITY COMPANY, SCOTLAND.

Distribution of Earnings.

	1915	1916
Earnings	$ 91,710	$107,170
Directors' fees	8,360	8,260
Expenses	7,585	5,125
Income tax	......	14,345
	$ 15,945	$ 27,730
Net profits	$ 75,765	$ 79,440
Balance forward	......	6,495
	$ 75,765	$ 85,935
Dividends	69,270	65,470
Reserve	......	9,210
Balance	6,495	11,255
	$ 75,765	$ 85,935

In the foregoing analysis, the company's figures in sterling have been converted on the basis of $5 to the £.

SASKATCHEWAN LOAN & INVESTMENT COMPANY, MOOSE JAW, SASK.

Distribution of Earnings.

	1915	1916
Earnings	$ 18,357	$ 22,446
Expenses	$ 2,328	$ 2,362
Tax	500	600
	$ 2,828	$ 2,962
Net profits	$ 15,529	$ 19,484
Balance forward	3,893	5,161
Cont. reserve	893	......
Adjustive stock	235	19,159
	$ 20,550	$ 43,805
Dividends	$ 12,639	$ 14,922
Reserve	2,750	15,000
Depreciation	......	5,000
Balance	5,161	8,883
	$ 20,550	$ 43,805

TORONTO GENERAL TRUSTS CORPORATION, TORONTO

Distribution of Earnings.

	1912.	1913.	1914.	1915.	1916.
Earnings	$449,923	$548,144	$584,508	$608,886	$619,339
Expenses	216,007	249,128	260,127	263,430	297,956
Net	$233,916	$299,016	$324,381	$345,456	$321,383
Balance forward	71,237	86,471	42,232	86,487	†77,674
	$305,153	$385,487	$366,613	$431,943	$399,657
Stock premiums	213,746	212,773	......	......	......
Surplus of sale	95,619	......	......	......	......
Total	$614,518	$598,260	$366,613	$431,043	$399,057
Distribution—					
Dividends	$110,892	$134,901	$150,000	$150,000	$150,000
Subscript's, war	......	......	11,000	2,500	13,500
Furniture	17,155	4,373	......	......	......
Off property	......	16,754	5,256	30,631	25,000
Staff bonus	......	......	13,870	......	......
Reserve	400,000	*400,000	100,000	150,000	100,000
Balance	86,471	42,232	86,487	98,812	98,557
War tax	......	......	......	......	12,000
	$614,518	$598,260	$366,613	$431,943	$399,057

*From profits, $187,226, and premiums on stock, $212,773.
†Less war tax, 1915.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$1,250,000	$233,916	10	18.7	13.2
1913	1,500,000	299,016	10	19.9	12.2
1914	1,500,000	324,381	10	21.6	10.6
1915	1,500,000	345,456	10	23.0	10.8
1916	1,500,000	321,383	10	21.4	9.7

TORONTO MORTGAGE CO., TORONTO

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$181,115	$194,400	$205,756	$209,596	$211,594
Interest—					
Sterling debts	$ 57,822	$ 62,259	$ 68,149	$ 71,576	$ 70,165
Currency debs.	12,571	13,780	13,981	13,561	13,811
Deposits	5,285	4,236	4,281	3,190	3,856
Charges on money	7,277	5,227	5,629	3,372	3,007
Management	20,644	22,057	21,779	22,294	21,738
	$103,599	$107,559	$113,819	$113,993	$112,577
Net earnings	$ 77,516	$ 86,841	$ 91,937	$ 95,603	$ 99,017
Balance forward	24,614	26,411	25,287	22,760	27,835
	$102,130	$113,252	$117,224	$118,363	$126,852
Distribution—					
Dividends	$ 50,718	$ 57,965	$ 57,964	$ 57,964	$ 57,964
Red Cross	......	......	1,500	2,565	*3,877
Reserve	25,000	30,000	35,000	30,000	30,000
Balance	26,411	25,287	22,760	27,834	35,011
	$102,130	$113,252	$117,224	$118,363	$126,852

*Includes war taxes.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$724,550	$77,516	7	10.7	6.7
1913	724,550	86,841	8	12.0	7.3
1914	724,550	91,937	8	12.6	7.5
1915	724,550	95,603	8	13.2	7.6
1916	724,550	99,017	8	13.7	8.0

TORONTO SAVINGS AND LOAN CO., PETERBORO, ONT.

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$267,501	$286,422	$	$	$ ......
Interest	71,338	78,013	......	......	......
Expenses	49,350	51,308	......	......	......
	$120,688	$129,321	......	......	......
Profit	146,811	157,102	135,658	141,668	148,485
Balance forward	46,421	33,232	60,334	95,993	87,662
	$193,232	$210,334	$195,993	$237,661	$236,147
Distribution—					
Dividends	$100,000	$100,000	$100,000	$100,000	$100,000
Reserve	40,000	50,000	......	50,000	100,000
Balance forward	53,232	60,334	95,923	87,661	36,147
	$193,232	$210,334	$195,993	$237,661	$236,147

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$1,000,000	$146,811	10	14.6	8.1
1913	1,000,000	157,102	10	15.7	8.4
1914	1,000,000	135,658	10	13.5	7.0
1915	1,000,000	141,668	10	14.2	7.3
1916	1,000,000	148,485	10	14.8	7.5

TRUSTS AND GUARANTEE CO., TORONTO

Distribution of Earnings.

	1912	1913	1914	1915	1916
Earnings	$117,906	$125,082	$106,077	$102,261	$105,146
Balance forward	266,884	304,540	348,695	373,289	393,642
	$384,790	$429,622	$454,772	$475,550	$498,788
Distribution—					
Dividends	$ 80,250	$ 80,927	$ 81,483	$ 81,908	$ 82,418
Balance forward	304,540	348,695	373,289	393,642	416,370
	$384,790	$429,622	$454,772	$475,550	$498,788

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	1,344,901	$117,906	6	8.8	7.3
1913	1,350,547	125,082	6	9.3	7.6
1914	1,361,616	106,077	6	7.8	6.2
1915	1,369,314	102,261	6	7.5	5.0
1916	1,380,655	105,146	6	7.8	5.9

THE TRUST & LOAN COMPANY OF CANADA

Distribution of Earnings.

	1913.	1914.	1915.	1916.
Income	$1,406,078	$1,416,520	$1,402,834	$1,432,095
Earnings	620,259	620,235	607,297	625,020
Distribution—				
Statutory reserve	$ 220,129	$ 220,118	$ 213,648	$ 222,510
Off deb. stock	106,046	96,198	52,562	......
Special reserve	41,750	12,376	8,875	5,375
Income tax	8,288	15,040	67,129	90,670
Excess interest	......	......	9	......
Dividend	240,000	270,000	270,000	277,500
Deduct	$ 616,213	$ 613,732	$ 612,223	$ 596,055
Balance	$ 4,046	$ 6,503	$* 4,926	$ 28,965
Previous	136,902	140,948	147,451	142,525
Total	$ 140,948	$ 147,451	$ 142,525	$ 171,490

*Deficit.

Rate of Earnings.

Year	Paid-up Capital	Earnings	Div.
1913	$3,000,000	$620,259	9
1914	3,000,000	620,235	9
1915	3,000,000	607,297	8
1916	3,000,000	627,020	10

In the foregoing analysis the company's figures in sterling have been converted on the basis of $5 to the £. The year is taken to cover the annual periods ending with September.

VICTORIA LOAN AND SAVINGS CO., LINDSAY

Distribution of Earnings.

	1912	1913	1914	1915	1916
*Year's earnings	$ 33,017	$ 43,939	$ 46,674	$ 46,700	$ 50,234
Balance forward	1,638	307	2,753	2,188	3,837
Premiums	5,716	17,870	762	......	......
Deductions	$ 40,371	$ 62,117	$ 50,189	$ 48,888	$ 54,071
Distribution—					
Dividends	$ 21,964	$ 24,264	$ 27,882	$ 30,000	$ 30,000
Reserve	18,000	35,000	20,000	15,000	20,000
Written off	100	100	119	51	......
Balance	307	2,753	2,188	3,837	4,071
	$ 40,371	$ 62,117	$ 50,189	$ 48,888	$ 54,071

*After deduction of both special war and ordinary taxes.

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1912	$325,473	$33,017	7	10.1	8.7
1913	396,953	43,939	7	11.0	10.5
1914	400,000	46,674	7	11.6	8.8
1915	400,000	46,700	7½	11.6	8.5
1916	400,000	50,234	7½	12.5	9.0

THE WATERLOO COUNTY LOAN & SAVINGS COMPANY, WATERLOO, ONT.

Distribution of Earnings.

	1913	1914	1915	1916
Earnings	$ 14,565	$ 35,285	$ 49,997	[illegible]
Interest—				
On deposits	$ 1,343	$ 6,915	$ 10,659	[illegible]
On debentures	......	874	3,136	[illegible]
Commission on loans	1,312	2,126	1,085	[illegible]
Expenses	3,955	7,856	9,794	[illegible]
	$ 6,610	$ 17,781	$ 24,674	[illegible]
Net earnings	$ 7,955	$ 17,504	$ 25,323	[illegible]
Premiums on stock	30,625	6,905	2,060	[illegible]
Balance forward	......	2,501	2,250	[illegible]
	$ 38,580	$ 26,910	$ 29,633	[illegible]
Distribution—				
Dividends	$ 5,118	$ 14,825	$ 19,177	[illegible]
Written off	336	460	......	......
Reserve	30,625	9,375	8,000	[illegible]
Balance	2,501	2,250	2,456	[illegible]
Contingent	......	......	......	[illegible]
	$ 38,580	$ 26,910	$ 29,633	[illegible]

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Capital	Earn. Rate.
1913	$167,436	$ 7,955	6	9.3	..
1914	300,458	17,504	6	7.1	6.2
1915	332,876	25,876	6	7.8	7.0
1916	383,779	31,761	6	8.4	8.3

The Canada Standard Loan Co.

Head Office, Winnipeg

$100 BONDS ISSUED

Repayable in three or five years. Interest paid half-yearly. Particulars and interest rates on application.

J. C. Kyle, Man.-Dir. 520 McIntyre Block Winnipeg

Tested by Time, Panic and War—

Mortgage Corporation Debentures do not fluctuate in value. Neither time, panic nor war affect them. Stocks drop. Some disappear altogether. But through all the excitement and strife of war, Standard Reliance Mortgage Corporation Debentures have stood the test for security of principal and permanency of interest. A $100 Standard Reliance

MORTGAGE CORPORATION DEBENTURE

is still worth $100 and pays 5% interest in cash on the day it is due.

Canadian Government statistics show that never a dollar has been lost in Mortgage Corporation Debentures.

A $1000 Debenture at 5% for five years (if compounded) pays $280 in interest, or 28% gain. It is one of the safest, if not the safest, investment obtainable.

4% interest allowed on savings deposits, subject to cheque withdrawal.

Write for our booklet entitled "Profits from Savings." It explains what these Debentures are and why they are so good a security. Address Dept. F.

STANDARD RELIANCE MORTGAGE CORPORATION
Head Office 82-88 King St E Toronto

Branches: Ayr, Brockville, Chatham, Elmira, New Hamburg

The Oxford Permanent Loan and Savings Society

WOODSTOCK - - - ONTARIO

Capital Authorized	$500,000	Subscribed	$ 300,000.00
Capital Paid-up	291,640		
Reserve Fund	137,300	Assets	1,009,325.30

Debentures issued in sums of $100.00 and upwards for periods of from one to ten years, bearing interest payable half-yearly. Deposits of $1.00 and upwards received and interest paid or compounded half-yearly at 3½ per cent. per annum.

Executors, Trustees, etc., are authorized by Special Order-in-Council (Ontario Government) to invest Trust Funds in the Debentures of this Society, and to deposit Trust Funds in the Society's Savings Department.

H. J. FINKLE, President. MALCOLM DOUGLAS, Managing Director.

RECONSTRUCTION OF THE WORLD'S INDUSTRY AFTER WAR TO EXHAUST CAPITAL

A Period of Dear Money to Follow the Dislocation of Business After the Cessation of War Production.

INTEREST RATES LIKELY TO CLIMB

Retrenchment Will Bring About Hard Times And Then Money Will Gradually Become Cheaper Through Enforced Economies And Saving.

ONE of the most interesting of speculations at the present time concerns the trend of interest rates after the war. Many arguments have taken place on the subject and a variety of views have been advanced by students of the situation. The precedents of other wars have been brought forward; the course of stock and bond prices have been quoted over periods of years and all possible features bearing on the subject have been introduced. Out of the confusion a few facts seem to stand forth as of indisputable authority.

The first of these is the dislocation of business ensuant on the cessation of the vast and highly profitable production of war supplies. The volume of this business in proportion to the total business of the world is sufficiently great to occasion a severe wrench to the world's economic fabric. Among the belligerent nations of Europe, it is estimated that the supplying of war materials approaches nearly half the total production, while in the United States and Canada, it is nearly one-fifth. Reduce or remove this vast stimulated production and it is obvious that serious results will ensue.

Dislocation Period.

The first indications of the approach of the dislocation period will doubtless appear in the stock markets of the world where the approach of peace will be heralded by a severe break in the prices of all industrial stocks dependent for their profits on war orders. This will be followed by the laying off of labor in many plants and the return to civilian life of the armies engaged at present in the prosecution of the war. There will for a time be an absence of investment demand for either stocks, bonds or mortgages, owing to the real or anticipated cutting down of profits, and the interest rates on these securities will tend to rise to unusually high levels.

The second assured development after the war will follow rapidly on the first development. In fact it will really begin at the same time, though the outward effects of dislocation will be so pronounced that they will overshadow the other movement at first. The latter will be known as the reconstruction period, an interval extending over the time that the industry of the world is re-shaped from war purposes to peace purposes and the population of the world is readjusted to the changed conditions. This period may possibly extend from two to five years, but it will undoubtedly prove to be a distinct interval.

Reconstruction Period.

It is at this point that views of the probable trend of money rates begin to diverge. There are those who believe that during the reconstruction period money will be plentiful and cheap. This, however, is a superficial view based on a misconception of the significance of money. For reconstruction, capital is needed and it is to the supply of capital for this purpose that attention must be turned. Money is merely the medium for the transfer of this capital and the plentifulness or scarcity of capital will be reflected in the money market.

It is estimated that the destruction of the world's capital in the war will approach a hundred billion dollars. This is a stupendous amount and it is an irrefutable fact that the volume of capital available for reconstruction purposes, while large, will be limited. The point is, therefore, will it be sufficient to tide the world over this important period? Much capital will be needed for the rebuilding of those sections of Europe devastated by war, including the re-establishment on a producing basis of the damaged industries of the warring nations. More capital will be required to restore the manufacturing plants of Great Britain, the United States, Canada and other countries to their old uses; to get business going again on regular lines and to finance those throngs of people who will undoubtedly be forced on the land through temporary lack of employment in industry and the high prices of foodstuffs.

And during reconstruction, it must be remembered, the production of new wealth will of necessity be curtailed. There will be a time when the demands on capital will be greater than the production of capital and it is a very doubtful point whether, before the world can catch up with its production, the supply of capital will not be seriously reduced. It is the opinion of various experts that capital will be unable to carry the burden; that, as an indication of this, money will become tighter and tighter and that, before the end of the reconstruction period, interest rates will have reached unprecedented levels.

Retrenchment Period.

The evil will bring its cure. With money high, retrenchment will set in and, with retrenchment, there will come a collapse of what may appear to be a permanent post-war boom. A period of hard times will ensue. Business will be contracted; there will be unemployment; the purchasing power of the people will drop. And as happens in all periods of hard times, savings will begin to accumulate and exhausted capital will gradually be restored. These savings will naturally seek investment and the prices of stocks, bonds and mortgages, which fell during the reconstruction boom, will advance. In other words, the supply of capital will once again exceed the demand for capital and interest rates will decline as a natural consequence.

Setting aside the dislocation period, when, in spite of the probable behaviour of the investment market, the actual supply of capital will not be altered, there seem bound to be two distinct movements. First, the movement towards the point at which loanable capital becomes so scarce and expensive that the reconstruction boom collapses; and next, the movement back to the point, when through retrenchment and savings capital is gradually restored to its former position.

RURAL CREDIT ACTS OF 4 WESTERN PROVINCES WITH COMPARISONS

Basically They Are the Same, but in Various Minor Respects They Exhibit Considerable Differences.

MANITOBA ACT THE MOST UNIQUE

British Columbia's Commission Has Been Operating For Nearly a Year; Manitoba Is Just Starting Operations, While Alberta And Saskatchewan Have Not Yet Put Acts In Force.

ONE of the most important developments of the past two years in the loaning field in Canada has been the enactment of measures by the governments of the four Western provinces, providing for loans to farmers by the government. The Acts of British Columbia, Alberta, Saskatchewan and Manitoba all resemble one another in basic particulars and differ only in minor details. Thus money for lending to the farmers is provided in the first instance by the sale of government securities; loans are made on farming land and improvements; and the terms are such as to enable borrowers to get the money for extended periods on terms that are designed to be merely sufficient to pay for the service. The administration in each case is in the hands of a commission.

That there has been a serious call for the establishment of these government systems by the farming communities of the West is hard to believe. Agricultural organizations may have put themselves on record as favoring them and improvident farmers, who have had trouble meeting their payments on mortgages from loan companies, may have agitated for them, but the masses of Western farmers, who have been doing business with reliable loan companies on solid business-like lines, have had no just cause of complaint. The conclusion is not unnatural that the Acts have been placed on the statute books largely as political measures, intended to show voters how much governments have done for them.

It will obviously take years to demonstrate whether or not these system of rural credits will prove successful and anyone would be foolish to base conclusions on the results of the early, experimental period. To attack them now on the ground that they are bound to prove failures would be poor policy in any case. Loan companies, while watchful, are not seriously concerned and, if they are only assured of equitable treatment and fair competition, from the government systems, they seem prepared to wait and see how the latter will work out.

The B. C. System.

British Columbia was the first province to put in force an agricultural credits act. The measure was enacted in 1915 and, following the passing of an order-in-council, an agricultural credit commission to enforce the act was organized on April 26, 1916. Applications for loans were considered on and after June 1, 1916, and up to the end of last year, 1,178 such applications had been received.

To raise money for the purpose, a loan of $1,000,000 was negotiated by the government of British Columbia and the debentures of the commission were issued for that amount, guaranteed by the province. The debentures bear interest at the rate of 4½ per cent. and are for 25 years, dated May 1, 1916, maturing May 1, 1941. They were sold at 84.72, netting the commission $847,200. The money cost 5.63 per cent. and is being issued at the rate of 6½ per cent. to borrowers.

Of the 1,178 applications for loans received up to December 31, 342, involving a sum of $623,550, have been granted. The amount actually applied for by the 342 borrowers was $707,070 and the appraised value of the collateral was $2,070,366. The sum of $72,605 was advanced on the loans. Following are particulars of the loans granted:—

THE FARM LOANS ACT OF B. C.

Number	Term	Kind	Amount
5	3-year	Straight	$ 3,250
65	5-year	"	75,000
3	7-year	Amort.	2,250
3	8-year	"	3,450
1	9-year	"	800
94	10-year	"	99,450
91	20-year	"	219,730
36	30-year	"	81,770
44	36½-year	"	137,850
342			$623,550

Forty applications for loans of $75,775 were withdrawn and 289 applications, involving $638,605, were refused by the commission. 162 applications, duly appraised, have been held for further consideration and 345 applications remained unappraised at the end of the year.

Seven Months' Showing.

It is of course much too early to make any estimate of the success or otherwise of the system. To get any such scheme in operation is a costly undertaking and it is not surprising to find that for the first seven months an adverse balance of $19,015 was recorded. The actual accrual of interest on the loans was only $873, whereas interest on debentures both paid and accrued reached $30,000. There were in addition salaries and traveling expenses of over $10,000 and various other expenses. Until the full amount of the government loan is out on mortgage, it will not likely be possible to size up the possibilities of the system.

The Manitoba System.

The Manitoba rural credit measure, passed at the last session of the provincial legislature, is the second Act to be put in force in Canada. The first applications for loans, under its terms, were received within the past few weeks. This system adopted by Manitoba differs from that in British Columbia in that the Association idea was preferred to the governmental. The British Columbia borrower obtains his money to all intents and purposes from the government, whereas the Manitoba borrower secures his from an organization in which he himself is required to take a financial interest. The Act is administered by the Manitoba Farm Loans Association, a body corporate, managed by a board of five, three members of which, including a commissioner are appointed by the government and the other two by the Union of Municipalities and the Grain Growers' Association respectively.

A borrower is required to subscribe the sum of $5, for each $100 loaned, to the capital of the Association. The capital thus provided creates a margin between the mortgages, which are the underlying security, and the bonds issued against them, thus presumably making the bonds more attractive for investors. Any profit that may arise accrues to the borrowers, thus reducing the rate of interest, while eventually it is anticipated that the business will be managed by the shareholders themselves.

Continued on page [illegible].

A GUARANTEED INVESTMENT
5 PER CENT. DEBENTURES

This Company's Debentures are a safe and exceptional security, being a first charge on the assets and undertaking of the Company.

Mortgages and other authorized securities are deposited with The Imperial Trusts Company of Canada, under a Trust Deed, in trust for the Debenture Holders to the amount of $125.00 for each $100.00 worth of Debentures issued.

Debentures are issued in sums of $100.00 upwards, and for periods up to ten years. Interest coupons attached, payable half-yearly.

Write or phone for full information.

The Colonial Investment and Loan Company

Capital Authorized	$5,000,000.00
Capital Paid Up	$2,453,995.83
Assets	$3,572,985.91

15 Richmond Street West, Toronto

The Hamilton Provident and Loan Society
Hamilton, Canada

Abstract from Annual Report, 31st December, 1916.

Net Value of Investments	$4,362,018.80
Office Buildings in Hamilton and Brandon	93,000.00
Cash on Hand and in Banks	207,862.20
	$4,662,881.00
Subscribed Capital uncalled	800,000.00
	$5,462,881.00
Liabilities to Public	2,323,818.50
SURPLUS OVER LIABILITIES	$3,139,062.50
PAID-UP CAPITAL	$1,200,000.00
RESERVE FUND AND SURPLUS PROFITS	$1,091,062.50

The Society's funds are invested on First Mortgages on Real Estate, and the business is confined to the Provinces of Ontario, Manitoba and Saskatchewan.

Appraised Value of Real Estate held as Security for advances on Mortgages, $10,597,223.00.

5% paid on Debentures for term of three to five years. These Debentures are a legal investment for Trust Funds.

Correspondence invited.

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MORTGAGE LOANS DECLINE IN IMPORTANCE AS ASSETS OF INSURANCE COMPANIES

During 1916 Funds Invested in This Way by Canadian Life Companies Showed a Reduction.

STILL AN IMPORTANT FACTOR HOWEVER

Investment By Insurance Companies In Government Securities Has Been The Outstanding Development Of The Past Year, The Gain In This Item Being Very Large.

By W. A. Craick.

THE importance of the mortgage loan as a form of investment for the funds of insurance companies has long been recognized. It has shared with bonds and debentures the preference for the safe-keeping of the bulk of the country's insurance company assets. At the end of 1916, the amount of money thus invested in Canada by companies operating under Dominion licenses—and these embrace the great majority, if not all, of the large insurance corporations—reached the imposing total of $140,171,256. This amount represented well over 25 per cent. of the total Canadian assets of the various companies concerned.

Various influences have been at work since the war started to change the relative importance of this particular form of investment. Up to 1913, there had been a marked increase from year to year in the proportion of insurance funds placed in this way. In the case of Canadian life companies, which form by far the most powerful group of insurance investors, having larger assets than all other insurance companies operating in Canada combined, the percentage of total funds invested in mortgage grew from 26% in 1905 to 37 1-3% in 1913. But in 1914 a change developed, which has become more marked in each succeeding year.

Decline in Mortgages.

Instead of increasing, either absolutely or relatively, mortgage investments have gradually decreased. The drop, as is indicated in the following table, was more pronounced between 1914 and 1915 than between 1915 and 1916, but it will be noted that, whereas the first change was due entirely to the curtailment of operations in Canada by Brtitish fire and life companies, the second exhibited a much more significant development in the case of Canadian and American life companies, which for the first time in many years registered a decline in this form of investment.

Total of Funds Invested in Mortgage Loans in Canada by Insurance Companies Opering Under Dominion Licenses.

	1914	1915	1916
Canadian Life Co's	$ 94,765,472	$ 96,058,936	$ 95,916,630
Brit. & Colon. Life Co.'s	18,420,270	17,834,771	16,902,175
United States Life Co's..	9,173,058	11,963,851	11,087,153
Canadian Fire Co's.....	3,169,250	3,319,848	3,362,250
British Fire Companies.	14,695,586	5,471,761	5,321,817
United States Fire Co's..	8,500	......	7,500
Canadian Acc't Co's, etc..	160,636	181,792	143,599
Brit. & Foreign Acc., etc.	......	......	......
Fraternal Benefit Soc. ..	6,969,907	7,106,185	7,430,142
	$147,362,679	$141,937,144	$140,171,256

While Canadian life company investments in mortgage showed an absolute gain of $1,301,964 between 1914 and 1915, in relation to the other investments of the companies there was a decrease. At the end of 1914, mortgage loans represented 36.75% of total assets, while a year later they were 35.02% of total assets. This decline was even more evident last year when mortgage investments dropped by $142,305, and in percentage of total assets from 35.02% to 32.15%. The course of these investments, both absolute and proportionate, since 1905 is set forth clearly in the following table:—

Table Illustrating How the Percentage of Canadian Life Company Assets Invested in Mortgage Loans Has Risen and Fallen in the Past Ten Years.

Year.	Total Assets	Mortgages	Per Cent.
1905	$102,438,414	$26,703,010	26.06
1906	114,560,833	31,822,209	27.78
1907	125,178,214	36,674,313	29.30
1908	138,491,378	39,817,658	28.75
1909	153,790,291	45,346,488	29.48
1910	170,804,631	53,159,839	31.23
1911	190,722,358	63,565,430	33.33
1912	211,632,875	75,248,268	35.55
1913	233,244,496	87,215,996	37.39
1914	257,826,939	94,765,472	36.75
1915	274,243,433	96,058,935	35.02
1916	298,247,383	95,916,630	32.15

Now Take Second Place.

As a further interesting illustration of relative changes in forms of investment, a third table may prove illuminating. This table shows the percentage which each item in the schedule of assets bears in relation to the total and illustrates how the mortgage loan is declining in importance. In 1915 it held first place in the list. Last year it was overtaken and passed by bonds and debentures.

Table Illustrating How the Relative Importance of Mortgage Loans to Other Forms of Investment Has Changed in the Case of Canadian Life Companies

Security	1915 %	1910 %	1915 %	1916 %	Amounts*
Real Estate	4.68	3.94	5.14	4.79	$ 14,308,118
Mortgages	26.07	31.12	35.02	32.15	95,916,630
Loans on Collateral.	3.33	.99	.62	.83	2,501,710
Loans on Policies...	9.45	11.95	14.34	13.85	41,311,569
Bonds & Debentures.	*48.73	37.58	31.45	38.07	113,552,389
Stocks	...	8.82	6.60	4.37	12,846,000
Cash	2.67	1.34	1.88	1.23	3,680,358
Agents' Balances ...	.12	...	...	...	....
Int. & Rents Accrued	1.38	1.60	2.45	2.41	7,190,936
Prem. Outstanding...	3.27	2.50	2.39	2.22	6,635,346
Other Assets	.30	.16	.11	.10	304,325
	100.00	100.00	100.00	100.00	$298,247,383

*In 1905 stocks, bonds and debentures were shown in one lump sum in the insurance returns.

Turning now to the influences which have produced these changes, it may be noted that two conditions have developed almost simultaneously. One has been the decline, due largely to the war, in the demand for loans on real estate. Building has been pretty much at a standstill and the expansion of the farming industry has been stopped. Immigration has ebbed and many settlers have joined the colors. Instead of renewing their mortgages or putting on new ones, farmers have been more inclined to reduce their liabilities by using the proceeds of the favorable harvests of 1915 and 1916 to pay off their loans.

Attractive War Bonds.

Concurrently, investors have been confronted with a remarkably attractive bond market, in whch the highest class of bonds have been procurable at bargain prices. With long-term government bonds to be had in practically unlimited amounts at prices yielding anywhere from 5¼% to 7%, there was small incentive to rake the field for mortgage loans. More than that, insurance companies have been induced to give preference to these investments through the government regulations requiring them to place a certain proportion of their assets in this form of security.

The great growth in the volume of insurance company assets invested in this way may be illustrated effectively by means of the following table:

Table Showing the Rapidly Increasing Investments of Dominion-Licensed Insurance Companies in Bonds and Debentures.

	1914	1915	1916
Canadian Life Companies.	$ 77,436,286	$ 86,250,032	$113,552,389
Brit. & Colonial Life Co.'s	15,272,004	14,675,739	15,999,384
United States Life Co.'s	50,777,774	49,721,360	55,146,516
Can. Fire Companies....	6,835,799	7,676,319	8,705,815
British Fire Companies .	13,720,257	14,778,619	15,482,744
U.S. Fire Companies ...	8,213,697	8,258,171	9,251,428
Can. Accident, etc., Co.'s.	4,293,075	3,805,893	3,633,302
Brit & For Acc. etc., Co.'s	2,833,424	1,621,531	1,676,263
Fraternal Benefit Societ.	12,979,798	13,229,875	12,951,542
	$192,362,114	$200,017,539	$236,399,383

Another condition which exists and which has led insurance companies to neglect the mortgage field for the bond market, has been the moratorium legislation of the western provinces. There is no question but that the measures passed have had a prejudicial effect on loaning and, while it is true that the demand for loans has not been so active before the war, yet more business would unquestionably have been transacted in this line, had it not been for the deterrent influence of moratorium Acts.

The farm loan Acts have not been sufficiently long in operation to enable one to estimate what their effect will be. It may be that they will result in driving still more of the insurance companies' funds from the mortgage field. The outcome of this legislation will be watched with a great deal of interest by those insurance officers who have in charge the investing of insurance moneys.

RURAL CREDIT ACTS OF 4 WESTERN PROVINCES WITH COMPARISONS.

Continued from page 25.

The capital of the Association will be one million dollars, divided into two hundred thousand shares of five dollars each. Of this the government takes half and the other half goes to borrowers as aforementioned. No shares in the Association can be purchased by other interests.

Terms of Loans.

Money is lent by way of a first mortgage on improved lands up to but not exceeding 50 per cent. of the value of the land and the improvements thereon. Only those actually engaged in the industry of farming or who propose so to engage, are permitted to borrow and the money is to be used for certain specified purposes. The limit of borrowing for any one person is $10,000. All mortgages run for 30 years, but may be paid off after five years, and all are on the amortization plan.

The Manitoba Act prescribes the interest rate to be charged as one per cent. in excess of the rate of interest at which the government can sell its securities in the open market. The municipalities are the unit of organization and applications for loans are made to the secretary-treasurer. It was first intended to make the municipalities responsible for losses within their boundaries, but this idea was not supported.

When the bill was before the legislature, the Provincial Treasurer stated that it had been determined that nothing in the way of special privilege would be provided in the bill for the benefit of the Association; that the mortgages secured by it would be issued on a basis of equality with the mortgages of all other loaning associations.

The Association is authorized to issue bonds up to nine times its paid-up capital and up to ninety per cent. of the mortgages, the bonds to be guaranteed by the provincial government. Bonds will be issued for ten years and in two forms, a coupon bond and an amortization bond. The latter is for the purpose of attracting the savings of people of small means, who pay a yearly instalment and secure a paid-up bond at the end of ten years. Savings certificates bearing interest at four per cent. will also be issued against the unsold ten-year bonds.

The Alberta Acts.

The legislature of Alberta at its last session enacted at least four measures having to do with rural credits. One of these was a general agricultural credit act; two were co-operative measures, under which local organizations could be formed to secure credits and the fourth was a seed grain act providing for temporary loans for the securing of seed grain.

The Farm Loan Act.

This Act provides for the lending of money on first mortgages on farm lands up to 40 per cent. of their appraised value, calculated on the basis of value and productiveness when the improvements in respect of which the loan is desired, have been made. The maximum amount that can be loaned to any one person is $5,000.

After stipulating that the borrower must be actually engaged in, or intending to be engaged in, agriculture, stock-raising, or dairying, the Act proceeds to provide that the interest charged on loans shall be adequate to cover costs of operation. Every mortgage shall be for the period of 30 years, with interest and instalment of principal falling due on January 1 of each year. Any mortgagor may pay off his mortgage in full after it has run one year, on payment of a bonus equal to six months' interest, or after five years without bonus. After five years, the mortgagor has the privilege of paying on account of the mortgage $25, or any multiple of $25.

The loan business is to be administered by a Farm Loan Board consisting of not less than three and not more than five members to be known as directors and the general management is to be in the hands of a commissioner of farm loans. The sum of $10,000 is appropriated for the purpose of organization of the board and putting into effect the Act. The net amount of securities outstanding at any time in connection with farm loans shall not exceed $10,000,000 without further legislative authority.

Co-operative Credit Act.

This Act makes provision whereby from thirty to one hundred persons carrying on farming, ranching, stock-raising, dairying, or other like operations, within a radius of thirty miles from a chosen centre, may organize as a co-operative society for the purpose of obtaining short-term loans for its members upon the individual security of the borrower, backed by the credit of the society; the lender to be guaranteed against loss by the province to an amount equal to one-half the capital stock of the society, and by one or more municipalities for a like amount.

After detailing steps to be taken to organize such societies, the Act provides that directors may arrange with any chartered bank, financial corporation, firm, or person, for loans to members for any of the following purposes:—(1) The purchase of seed, feed, and other farm supplies; (2) The purchase of implements and machinery; (3) The purchase of cows, horses, sheep, and other live stock, or (4) The payment of the cost of preparing for cultivation and of carrying on the season's operations. Borrowers must repay all loans not later than January 31, except where the loan was granted for purposes not fully productive within a year. The rate of interest shall be agreed upon between the society and the lender and out of the interest an amount sufficient to provide a fund estimated to cover the cost of administration of the society, including a reserve fund, shall be paid to the society by the lender as soon as the principal sum and interest have been paid. Profits of the society are to be applied in payment of necessary expenses; in payment of a dividend on the paid-up stock of not more than 6 per cent. per annum, and in accumulating a reserve.

The Saskatchewan Act.

The Act passed by the legislature of Saskatchewan at its last session differs only in minor particulars from that passed in Alberta. There is to be a board to administer the Act and money will be loaned on first mortgages on land and improvements up to 50 per cent. of the value of the property. The loan will run for thirty years repayable in equal annual instalments of principal and interest. The rate to be charged will be sufficient to cover the actual cast of the money, with a sufficient margin to meet expenses of management. The government will sell its bonds for the purpose of raising money to supply the commission with funds.

THE YEAR'S DEVELOPMENTS IN TRUST AND LOAN SITUATIONS.

Continued from page 17.

who evidently had no idea of going to the front and many who could not had they so intended.

Farm loan legislation promises to have some effect upon the field of the loaning companies. This will be particularly the case if, as with many government controlled projects, the principles of businesss are dropped to give the individual benefits for which he does not pay and which are indirectly charged back upon the ratepayers in general in the shape of taxation. Rates are being advocated which would not provide for reasonable expenses for the administration of the fund apart from the question of profits.

However, there is a general feeling that much of this legislation is an outgrowth of the unsettled public mind as the result of war conditions and that the future will bring more sane deliberation upon these questions. Already there is the example of the change of opinion in connection with the Seed Grain liens and the Grain Growers have gone on record as recognizing that anything which tends to undermine the credit standing of the country is eventually a burden upon the people. Western Canada will need capital from every available source in the future to permit of that great development which is promised and it is to be hoped that the law makers will soon recognize that an influx of money should be encouraged from all available sources.

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Efficient, courteous and prompt service.
A continuous daily audit.
No loans to Directors or Officers.
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Experienced Directors who Direct.

Our Savings Department allows interest at the rate of **4% per annum**, and amounts may be withdrawn by cheque.

Or if you have surplus funds, this Company will accept them for two years or more (to suit your convenience) repayable at the end of the term, with half-yearly or quarterly interest at the rate of **5% per annum.**

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W. WEDD, Jr., Secretary. V. B. WADSWORTH, Manager.

ASSETS OF 50 OF CANADA'S CHIEF LOAN AND MORTGAGE COMPANIES

COMPANY	Mortgages 1914	Mortgages 1915	Mortgages 1916	Other Loans 1914	Other Loans 1915	Other Loans 1916	Securities 1914	Securities 1915	Securities 1916	Real Estate and Premises 1914	Real Estate and Premises 1915	Real Estate and Premises 1916	Cash 1914	Cash 1915	Cash 1916	Total Assets 1914	Total Assets 1915	Total Assets 1916
British Mort. Loan	$ 1,643,918	$ 1,818,406	$ 1,920,250	...	...	...	$ 53,065	$ 73,873	$ 342,687	$ 17,000	$ 17,000	$ 20,000	$ 33,366	$ 81,652	$ 53,608	$ 1,747,349	$ 1,190,931	$ 2,238,545
B.C. Perm. Loan	2,993,095	2,762,875	2,506,751	46,333	40,479	39,125	...	...	...	704,866	727,261	777,156	214,330	147,738	13,219	4,002,593	3,762,109	3,598,424
Can. Mortgage Invest.	...	...	...	1,801,114	1,791,631	1,698,991	189,538	236,714	369,828	277,745	256,172	296,898	86,411	66,362	30,199	2,357,649	2,380,542	2,402,864
Canada Landed	...	...	...	6,046,075	5,746,682	5,435,754	328,251	338,094	569,332	35,000	...	35,000	160,487	380,734	473,089	6,686,804	6,682,096	6,613,320
Can. Perm. Loan	28,706,314	28,410,605	27,859,082	826,314	668,230	546,053	842,912	1,818,559	1,615,901	821,855	641,615	751,743	1,499,354	2,007,232	1,492,003	32,496,750	33,546,242	32,264,782
Central Canada	1,348,117	1,362,267	1,551,961	2,035,103	1,796,521	1,939,648	5,407,079	5,847,596	5,182,531	190,591	179,611	179,455	879,317	636,007	619,229	9,850,209	9,822,001	9,472,824
Colonial Invest. & Loan	2,608,455	2,222,164	1,852,592	300,944	243,384	193,620	344,278	275,769	613,972	200,528	359,125	441,417	221,384	215,914	194,101	3,771,059	3,652,648	3,572,985
Dominion Perm. Loan	3,935,490	4,076,656	4,310,506	...	...	...	...	...	...	20,329	28,489	50,776	188,508	114,558	107,566	4,146,812	4,233,766	4,476,388
Dom. Savings & Invest.	2,215,806	2,222,006	2,251,836	...	...	...	...	...	...	...	...	...	27,990	38,760	31,269	2,243,796	2,260,765	2,283,105
Eastern Canada Savings	1,172,509	1,301,597	1,503,127	20,009	...	12,200	...	...	...	60,000	60,000	60,000	53,169	39,662	10,460	1,555,678	1,651,259	2,000,837
Empire Loan	1,049,953	974,593	937,621	...	...	...	...	3,500	13,545	7,200	26,325	31,680	13,877	15,096	21,533	1,072,399	1,019,966	1,007,516
Great-West Perm. Loan	4,475,383	4,169,733	3,889,021	...	28,731	177,800	167,771	155,662	163,759	700,771	790,917	939,109	...	445,423	299,769	5,396,576	5,647,516	5,531,998
Guelph & Ont. Invest.	3,277,814	3,488,444	3,594,932	...	...	...	...	...	...	20,000	37,011	60,058	117,763	417,006	294,059	3,415,877	3,991,191	4,142,716
Hamilton Prov. & Loan.	4,204,309	4,178,899	4,117,749	32,215	12,271	12,795	208,668	223,105	231,475	93,000	93,000	93,000	240,344	367,132	207,862	4,778,540	4,874,409	4,662,881
Home Invest. & Sav.	...	...	...	2,385,494	2,276,315	2,033,471	10,788	10,106	9,392	26,361	63,349	137,362	117,909	73,508	46,903	2,603,716	2,526,969	2,373,100
Huron & Erie Loan	12,236,480	11,626,839	11,341,924	...	...	...	3,420,959	4,159,414	5,388,150	65,000	81,000	109,831	695,727	1,141,944	931,284	16,418,166	17,009,257	17,771,189
Lambton Loan & Invest.	2,852,080	2,875,957	3,093,560	...	...	...	...	...	...	4,500	20,000	19,000	93,603	112,225	137,893	2,950,183	3,008,202	3,250,453
Landed Bank. & Loan	3,108,445	3,183,179	3,238,217	76,883	83,420	97,382	42,984	108,628	198,172	65,000	65,000	65,000	208,273	233,267	162,842	3,523,049	3,685,524	3,761,614
London Loan & Savings	2,639,393	2,759,413	2,695,038	...	...	...	...	...	...	63,351	63,544	63,496	180,824	194,983	345,700	2,883,568	3,017,941	3,104,234
London & Can. Loan	4,859,957	4,627,107	4,463,644	3,115	14,069	80,659	188,397	241,885	311,927	...	...	...	170,972	263,511	112,723	5,222,441	5,146,572	4,968,953
Midland Loan & Sav.	1,251,721	1,206,283	1,108,769	59,179	52,406	27,574	45,480	136,702	282,738	5,091	14,211	13,996	98,010	100,530	71,096	1,459,481	1,510,133	1,504,173
Montreal Loan & Mort.	1,621,235	1,615,708	1,585,006	...	4,565	69,500	...	34,412	34,388	7,400	9,200	11,900	4,384	27,726	3,585	1,633,019	1,691,612	1,704,379
Mort. Corp. of N. S.	715,718	760,119	791,689	4,120	...	...	...	...	...	5,200	7,866	8,102	10,611	3,343	654	904,519	921,073	1,266,136
Northern Mort. Co.	2,501,865	2,604,053	2,819,891	...	...	...	...	...	...	...	...	108,366	15,538	75,097	25,944	2,517,223	2,679,149	2,954,201
Oxford Perm. Loan	796,670	771,099	753,370	34,358	34,615	32,401	37,733	90,121	160,026	6,763	6,581	6,569	83,230	94,258	56,959	968,754	996,674	1,009,325
Ontario Loan & Deben.	7,244,827	6,872,921	6,319,567	40,773	99,280	26,508	295,351	549,232	772,929	69,000	85,000	151,841	264,679	440,388	405,310	7,914,630	8,046,978	7,676,155
People's Loan & Sav.	675,790	715,940	692,409	...	...	...	...	...	38,793	35,700	35,700	54,227	33,273	28,503	22,636	796,114	832,089	865,924
Real Estate Loan	1,338,231	1,331,891	1,251,338	2,626	...	...	...	15,042	54,191	...	4,431	56,788	25,554	38,583	39,239	1,382,130	1,400,215	1,402,461
Royal Loan & Savings.	1,755,501	1,738,955	1,684,430	905	905	905	17,440	24,405	625,749	55,127	55,000	55,000	108,534	120,001	59,686	2,376,930	2,433,036	2,503,264
Saskatchewan Mortgage.	753,599	765,326	703,078	70,353	79,076	78,148	387,013	439,013	...	72,486	57,638	53,725	16,140	25,970	47,516	846,518	863,421	884,108
Southern Loan & Sav.	2,199,680	2,162,272	2,222,368	3,474	4,010	2,803	...	39,118	115,265	25,000	24,000	22,000	3,388	27,825	10,203	2,231,542	2,257,266	2,372,639
Standard Reliance Mort.	5,349,534	5,501,663	5,969,896	24,545	56,267	48,261	455,344	512,742	629,142	474,363	503,938	521,419	114,171	138,402	200,306	6,444,641	6,732,581	7,389,750
Toronto Mortgage	2,649,298	2,447,156	2,256,074	100,827	173,820	155,620	433,588	545,124	666,102	45,000	45,000	45,000	144,975	175,036	121,800	3,373,658	3,386,136	3,244,596
Toronto Sav. & Loan	*3,789,338	*3,803,220	*3,783,311	...	...	...	...	...	...	...	...	...	83,427	78,084	121,563	3,876,065	3,884,642	3,907,080
Waterloo County Loan.	440,250	457,959	545,282	8,151	10,825	11,758	75,054	223,403	415,797	12,500	19,965	30,274	30,374	64,182	73,567	566,329	776,340	1,076,678
Victoria Loan & Sav.	1,170,866	1,356,597	1,671,074	...	...	...	...	...	...	...	...	7,000	34,538	71,752	94,263	1,221,074	1,444,019	1,780,487
E. Lambton Farm. Loan	270,166	273,514	272,219	11,480	11,137	9,838	181,987	175,941	200,348	2,975	3,000	3,000	3,084	17,712	10,079	498,732	505,593	521,054
Canada Loan	...	...	...	89,459	104,712	111,274	...	...	...	...	...	...	5,516	1,366	9,681	100,260	111,151	125,590
Security Loan	...	...	...	940,652	979,615	945,732	19,995	29,495	28,619	19,256	19,256	19,256	47,811	38,685	67,631	1,031,140	1,067,052	1,092,740
Crown Savings & Loan.	489,748	529,286	552,675	...	...	...	...	...	...	...	1,087	12,156	341	1,759	2,246	499,704	548,429	578,984
Trust & Loan	17,406,301	16,594,332	15,106,990	...	...	...	...	...	...	491,124	505,954	549,735	158,960	721,044	2,142,710	20,949,800	20,771,790	20,241,215
Okanagan Loan	...	...	...	536,088	538,172	523,123	...	...	...	2,432	2,398	21,742	6,926	14,961	29,300	555,818	569,673	588,929
Brockville Loan	591,959	686,418	706,492	1,538	1,085	1,581	...	...	...	1,462	1,463	1,287	18,443	2,181	9,119	613,402	691,147	718,478
Investors' Mort. Sec.	10,690,090	10,480,510	9,615,755	...	...	...	...	...	...	...	...	...	37,575	69,405	122,900	11,095,680	10,904,740	10,908,870
Second Investors' Mort.	...	...	...	...	...	...	...	...	...	...	...	...	...	51,215	9,145	...	1,770,185	1,841,945
North. Can. Mortgage	...	...	...	638,691	620,224	675,517	...	...	...	1,140	6,391	120,289	246	4,069	5,499	640,485	630,836	701,305
Frontenac Loan	...	...	...	272,409	266,645	244,905	36,612	36,393	45,815	4,765	5,337	5,470	11,357	10,797	6,394	325,143	319,172	302,584
Sask. Loan & Inv.	...	232,466	291,414	...	...	...	...	...	...	...	...	...	...	13,745	7,860	...	246,773	299,622
Owen Sound Loan	161,244	162,622	166,432	...	...	...	2,621	2,648	11,892	19,526	19,707	19,927	1,446	711	2,731	204,145	207,969	220,604
Credit-Foncier	40,152,633	43,062,829	42,129,234	789,832	754,427	807,425	3,010,502	1,293,157	1,264,835	531,772	754,272	610,000	2,383,693	2,028,709	3,730,800	53,487,130	53,281,274	53,944,370
Total	$187,343,782	$188,193,379	$184,126,544	$17,203,050	$16,493,519	$15,940,371	$15,995,410	$17,639,858	$20,354,800	$5,261,180	$5,696,814	$6,640,050	$ 8,944,832	$11,478,353	$13,155,758	$245,632,230	$250,541,004	$253,224,372

*Net value of investments.

LIABILITIES OF LOAN COMPANIES

COMPANY	To the Public: Savings Deposits 1914	Savings Deposits 1915	Savings Deposits 1916	Debentures 1914	Debentures 1915	Debentures 1916	**Total 1914	**Total 1915	**Total 1916	To Shareholders: Capital 1914	Capital 1915	Capital 1916	Reserve 1914	Reserve 1915	Reserve 1916	Other 1914	Other 1915	Other 1916
British Mort. Loan	$ 628,827	$ 691,809	$ 810,900	$ 342,914	$ 507,563	$ 708,394	$ 971,742	$ 1,198,372	$ 1,519,294	$ 449,650	$ 450,000	$ 450,000	$ 300,000	$ 320,000	$ 340,000	$ 25,957	$ 21,558	$ 27,250
B.C. Perm. Loan	...	...	...	1,086,836	1,096,196	1,094,331	2,040,096	1,941,948	1,752,265	920,107	923,290	923,290	657,407	658,853	658,854	382,981	238,015	264,014
Can. Mort. Invest.	...	...	...	738,145	705,560	683,564	744,853	714,947	690,268	1,208,272	1,211,116	1,218,227	340,000	405,000	450,000	64,523	49,478	44,369
Canada Landed	...	...	...	4,327,509	4,179,424	4,096,530	4,360,986	4,215,939	4,135,057	1,205,000	1,205,000	1,205,000	1,090,000	1,170,000	1,205,000	30,819	41,156	68,263
Canada Permanent	5,250,765	6,013,897	6,059,276	16,582,218	16,438,166	14,845,811	21,839,330	22,466,716	20,919,130	6,000,000	6,000,000	6,000,000	4,500,000	4,750,000	5,000,000	157,420	329,526	345,652
Central Canada	1,660,998	1,646,710	1,776,783	4,561,271	4,608,299	4,095,239	6,222,269	6,255,009	5,872,021	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	127,940	66,992	100,803
Col. Invest. & Loan	...	...	...	869,294	725,667	624,549	883,982	729,166	627,844	2,451,803	2,452,867	2,453,996	310,000	350,000	360,000	120,273	120,614	131,145
Dominion Perm. Loan	196,052	214,792	224,074	2,171,803	2,205,752	2,399,248	2,368,397	2,421,865	2,624,135	1,202,618	1,204,871	1,205,904	473,000	508,000	508,000	102,796	99,030	138,347
Dom. Savings & Invest.	646,731	678,977	758,411	409,471	383,504	313,973	1,056,202	1,062,481	1,072,384	934,300	934,300	934,300	225,000	235,000	250,000	28,294	28,983	26,420
Eastern Canada Savings.	139,806	192,652	156,108	774,872	806,608	899,584	914,678	999,259	1,055,692	500,000	500,000	750,000	141,000	152,000	190,000	...	...	5,145
Empire Loan	...	...	...	334,660	331,598	276,264	414,159	343,527	312,679	567,015	575,956	596,437	70,000	70,000	70,000	21,224	30,483	28,399
Great-West Perm. Loan	818,399	1,103,858	805,550	1,266,878	1,354,211	1,512,721	3,797,717	4,243,170	4,156,719	2,400,484	2,410,925	2,411,863	678,841	685,902	685,902	108,838	86,373	114,431
Guelph & Ont Invest	483,252	556,486	558,760	1,727,331	2,043,048	2,050,048	2,254,160	2,653,651	2,669,992	594,370	643,695	711,983	524,044	635,082	687,122	43,303	58,764	73,619
Ham. Provident & Loan.	763,310	844,333	895,309	1,785,918	1,736,958	1,417,591	2,581,956	2,612,377	2,323,817	1,200,000	1,200,000	1,200,000	925,000	985,000	1,060,000	71,584	77,032	79,063
Home Invest. & Sav.	468,511	399,556	407,178	620,106	564,999	375,790	1,095,634	970,360	794,839	969,300	981,726	984,482	500,000	500,000	500,000	38,782	74,882	93,779
Huron & Erie Loan	2,012,155	2,394,623	2,820,433	9,010,995	9,029,125	9,171,235	11,116,103	11,516,497	12,090,672	2,406,201	2,458,415	2,500,000	2,767,384	2,900,000	3,000,000	128,478	134,345	180,517
Lambton Loan & Inv.	969,371	1,001,927	1,173,960	498,388	501,366	535,352	1,467,759	1,503,293	1,709,312	789,750	789,750	789,750	640,000	665,000	700,000	31,590	31,950	51,391
Landed Bank. & Loan	869,223	992,055	1,100,797	928,321	914,325	827,863	1,808,233	1,917,935	1,940,268	1,000,000	1,000,000	1,000,000	675,000	725,000	775,000	39,816	42,589	46,346
London Loan & Savings	456,281	512,523	584,488	1,250,615	1,249,280	1,246,172	1,706,896	1,761,804	1,832,844	857,224	882,890	884,284	300,000	340,000	340,000	19,447	33,247	47,107
London & Can. Loan	...	...	...	3,221,714	3,056,365	2,823,842	3,287,065	3,122,838	2,885,935	1,250,000	1,250,000	1,250,000	625,000	725,000	800,000	60,376	48,734	33,018
Midland Loan & Savings	343,785	371,292	350,702	495,533	502,681	505,080	839,318	874,972	855,782	360,000	360,000	360,000	235,000	245,000	255,000	25,163	30,161	33,391
Montreal Loan & Mort.	203,393	193,674	184,794	122,506	171,496	171,496	332,022	371,335	362,873	600,000	600,000	650,000	650,000	650,000	650,000	50,997	70,277	91,506
Mortgage Corp. of N.S.	31,098	54,025	46,184	292,560	276,650	268,979	323,658	330,675	315,163	500,000	500,000	850,000	75,000	84,000	93,000	5,670	6,396	7,972
Northern Mort. Co.	...	...	...	803,665	826,612	904,474	803,665	826,612	904,474	1,617,392	1,726,873	1,814,322	88,319	118,110	142,650	7,846	7,554	92,755
Oxford Perm. Loan	294,800	316,888	321,618	252,064	248,691	248,230	547,102	565,937	570,104	291,640	291,640	291,640	118,500	127,800	136,300	11,512	12,097	11,281
Ont. Loan & Deben.	1,005,157	1,071,284	942,743	3,426,951	3,386,306	3,040,443	4,432,108	4,457,591	3,983,186	1,750,000	1,750,000	1,750,000	1,650,000	1,750,000	1,850,000	82,522	89,387	92,969
People's Loan & Sav.	174,885	192,224	185,670	77,127	93,622	130,465	252,012	285,846	316,135	500,000	500,000	500,000	43,000	45,000	48,000	1,102	1,193	1,789
Real Estate Loan	...	...	...	658,566	656,175	639,428	658,566	656,174	639,428	500,000	500,000	500,000	200,000	220,000	240,000	23,564	24,040	23,032
Royal Loan & Savings	374,233	431,946	496,330	1,039,694	1,027,238	1,001,236	1,413,926	1,459,184	1,497,566	585,250	586,200	600,000	365,000	375,000	390,000	12,752	12,651	15,698
Saskatchewan Mort.	21,854	...	...	...	...	...	36,818	7,642	11,038	710,948	733,600	759,687	84,000	90,000	90,000	14,754	20,864	23,388
Southern Loan & Sav.	415,899	453,329	492,634	690,610	658,603	694,598	1,106,509	1,111,931	1,209,408	907,950	908,950	908,950	185,000	200,000	215,000	32,083	26,344	39,281
Standard Reliance Mort.	524,522	605,699	822,137	2,551,247	2,718,825	3,124,107	3,181,742	3,365,675	4,077,865	2,563,663	2,568,867	2,582,141	575,000	615,000	650,000	174,536	185,137	79,744
Toronto Mortgage	135,050	128,358	119,970	1,976,768	1,960,864	1,790,536	2,111,818	2,089,223	1,910,506	724,550	724,550	724,550	500,000	530,000	560,000	37,290	42,364	49,540
Toronto Sav. & Loan	885,343	964,783	1,000,577	1,015,950	904,471	841,055	1,905,073	1,871,980	1,845,933	1,000,000	1,000,000	1,000,000	850,000	900,000	1,000,000	120,993	112,662	61,147
Waterloo County Loan	177,313	301,849	414,218	31,484	81,313	202,619	208,796	383,161	616,837	300,458	332,877	383,780	40,000	48,000	63,000	42,250	50,456	13,061
Victoria Loan & Savings	655,396	843,458	1,177,864	...	...	...	666,867	871,110	1,187,396	400,000	400,000	400,000	145,000	160,000	180,000	9,207	12,909	13,091
E. Lambton Farm. Loan	144,485	152,395	163,210	85,852	81,966	79,615	230,337	234,361	242,825	209,825	213,250	217,000	47,248	51,473	54,737	6,321	6,508	6,492
Canada Loan	11,619	12,872	19,447	...	...	2,223	15,547	14,372	22,170	77,398	87,468	95,766	4,105	...	...	3,208	9,311	7,654
Security Loan	259,920	312,333	315,711	167,562	134,306	118,667	427,482	446,639	434,378	500,000	500,000	521,400	90,000	103,000	120,000	13,657	17,412	16,962
Crown Sav. & Loan	34,059	50,142	61,173	158,945	181,531	188,665	193,004	231,674	249,838	231,050	236,700	238,000	70,000	73,500	77,000	5,649	6,555	14,146
Trust & Loan	...	...	...	14,763,715	14,442,600	13,742,565	14,763,715	14,442,600	13,742,565	3,000,000	3,000,000	3,000,000	2,579,845	2,807,060	2,793,790	606,240	522,130	704,860
Okanagan Loan	...	...	31,297	64,497	62,305	46,805	103,531	107,400	115,939	384,840	390,560	390,560	54,000	63,000	74,000	13,447	8,713	8,429
Brockville Loan	270,924	305,428	313,562	...	...	...	270,924	305,428	313,568	265,776	289,405	294,910	70,000	84,000	100,000	7,702	12,314	10,005
Investors' Mort. Sec.	...	...	...	3,936,155	3,933,639	3,923,015	4,266,835	4,065,015	4,090,260	5,000,000	5,000,000	5,000,000	1,600,000	1,600,000	1,600,000	228,845	239,725	218,610
Second Investors' Mort.	...	...	...	...	...	...	...	18,440	29,910	...	1,628,320	1,663,720	...	78,330	100,000	...	45,095	48,315
Northern Can. Mort.	905	338	...	...	...	...	18,124	1,268	66,786	521,389	527,362	535,499	50,000	50,000	50,000	50,922	52,206	49,020
Frontenac Loan	73,004	66,999	50,372	5,100	3,570	3,060	78,104	70,629	53,432	200,000	200,000	200,000	30,000	30,000	30,000	17,039	18,543	19,152
Sask. Loan & Inv.	...	...	...	...	...	...	...	300	419	...	230,681	253,987	...	10,000	25,000	...	5,792	20,216
Owen Sound Loan	58,749	54,437	61,523	16,230	22,130	23,930	75,410	77,015	85,918	121,974	125,187	128,823	...	...	...	7,761	5,766	5,863
Credit-Foncier	...	...	...	39,330,589	38,183,700	38,222,972	39,330,589	38,183,700	38,222,972	9,647,667	9,647,667	9,647,667	2,519,918	3,040,802	3,358,534	1,988,954	2,409,104	2,715,197
Total	$21,460,074	$24,127,951	$26,153,760	$124,472,069	$123,537,299	$109,912,012	$149,477,819	$150,380,843	$149,959,841	$62,126,864	$64,384,596	$65,481,918	$30,410,613	$32,678,912	$34,275,889	$5,216,427	$5,683,417	$6,393,639

INVESTMENTS OF THE TRUST COMPANIES

	Capital Account 1914	Capital Account 1915	Capital Account 1916	Guaranteed Accounts 1914	Guaranteed Accounts 1915	Guaranteed Accounts 1916	Estates Trusts, Etc. 1914	Estates Trusts, Etc. 1915	Estates Trusts, Etc. 1916	Total 1914	Total 1915	Total 1916
Brantford Trust	$ 324,001	$ 326,792	$ 326,811	$ 23,956	$ 24,053	$ 25,325	$ 190,238	$ 483,304	$ 537,745	$ 538,195	$ 834,149	$ 889,881
Can. Guaranty Trust	210,558	222,854	227,932	267,854	262,796	282,773	635,249	798,362	1,043,974	1,113,661	1,284,012	1,504,679
Canada Trust	1,415,383	1,472,392	1,534,090	2,571,204	3,045,144	3,318,224	1,598,513	1,754,332	2,659,503	5,585,100	6,271,868	7,511,818
Capital Trust	241,336	296,670	334,496	69,077	146,541	249,173	233,504	482,560	707,046	543,917	925,771	1,290,715
Eastern Trust	1,171,614	1,276,830	1,387,998	35,550	92,871	104,471	14,437,065	14,943,812	16,949,952	15,644,229	16,313,513	18,342,421
Imperial Trusts	319,917	311,050	262,655	623,999	541,962	574,851	3,271,809	3,356,750	3,238,617	4,215,725	4,209,762	4,076,123
London & Western	609,911	645,485	664,686	...	...	...	5,848,764	6,223,332	6,931,064	6,458,675	6,868,817	7,595,750
Mercantile Trust	619,559	639,950	707,895	413,136	412,649	400,821	2,700,151	3,294,859	3,926,070	3,732,846	4,347,458	5,034,786
National Trust	3,139,891	3,140,543	3,174,174	6,521,702	6,986,333	7,371,097	42,033,086	49,205,609	58,651,783	51,694,679	59,332,485	69,197,054
Northern Trusts	1,985,328	1,936,407	2,026,668	1,415,505	1,428,036	1,407,292	6,227,655	7,934,746	9,493,202	9,628,488	11,299,189	12,927,162
Standard Trusts	1,237,432	1,268,198	1,284,237	4,079,021	3,921,728	3,746,999	11,080,677	10,073,481	9,663,577	16,397,130	15,263,407	14,694,813
Sterling Trusts	342,789	412,212	463,329	444,804	497,482	481,643	2,478,090	2,735,075	2,927,325	3,265,683	3,644,769	3,872,298
Toronto General Trusts	3,251,487	3,413,812	3,523,027	9,539,312	9,715,345	8,965,168	54,630,291	58,740,313	64,692,318	67,421,090	71,869,470	77,180,513
Trusts & Guarantee	2,416,035	2,436,276	2,460,006	4,026,003	4,266,807	4,601,526	6,800,266	7,453,490	8,342,817	13,242,304	14,156,573	15,404,349
Union Trust	2,014,370	2,041,346	2,042,956	7,386,827	7,449,135	7,487,561	4,982,788	5,022,224	5,660,827	14,383,985	14,512,705	15,191,344
Western Trust	1,249,977	1,292,010	1,313,352	1,221,461	978,714	924,996	5,532,167	92,123	96,813	8,003,605	2,362,847	2,335,161
British Empire Trust	4,981,675	4,561,630	4,406,930	...	...	...	2,967,655	1,443,525	1,435,720	7,949,330	6,005,155	5,842,650
Total	$25,531,263	$25,694,457	$26,041,242	$38,639,411	$39,769,596	$39,891,920	$165,647,968	$174,037,896	$196,958,353	$229,818,642	$239,501,950	$262,891,517

THE OUTLOOK FOR THE FUTURE SUPPLY OF MONEY FOR MORTGAGES

Continued from page 1

figure though not as high as that for the present prevailing. Making due allowance for a decline there will still remain a demand for cattle alone aided by an open door to Britain, which should insure for Canada a period of prosperity for the farmers.

Add to the attraction that agricultural prosperity will be to settlers, the extraordinary efforts that will be made by the governments of the Dominion as well as, in all probability, efforts by the Imerial Government, to locate those brave men who offered their lives to maintain the freedom of British citizenship, a force will be created which cannot but result in development and development always means a demand for capital.

As far as agricultural improvements are concerned the capital for them has been largely procured, almost entirely by loan and trust companies. These institutions in Canada have played a part in the work of nation-building that has not been recognized as fully as it might be. No doubt it will be through these organizations that a very large proportion of the capital will have to be obtained. The various governments will, when war ends, still have their hands very full in taking care of indebtedness arising out of the war. For this work there will be needed continuous thrift and the urging of every producer to live frugally so that as much as possible of his products can be conserved and as large a part as possible also be used for settling our debts abroad. There will be, if economy and thrift are general, a considerable margin of savings within the Dominion that could be utilized in the form of farm loans upon the security of new homesteads that it is hoped will be developed in the Dominion. For these purposes it may be possible to obtain a certain amount of money from abroad—United States in particular. Great Britain and European countries generally, with the possible exception of Holland, will not be able, for a year or two at least, to resume that volume of lending to other countries which they sustained for generations. If these countries have surplus capital available it will naturally seek to protect itself through channels which will ensure its safety and in this respect no greater assurance could be provided than utilization of existing Canadian agencies such as the trust and loan companies. They are in a position to insure to the investors abroad safety for their principal and interest as well as regular payments of the latter, but these organizations will also be able to give the same assurance to that new field as yet practically unexploited in providing money for Canadian agricultural development—the United States.

Attention may be turned from the "canny" people of Scotland to those of the New England States and what is of still greater importance, their attention will not be diverted from the Canadian field which is yielding savings to-day in remarkable volume. Most of the balance sheets being issued in 1917 show an increase of savings deposits. As we have already pointed out the insurance companies are also a potent factor in providing mortgage money and that money is obtained through the increasing activity of well trained, persistent and capable agents who successfully, and happily, for the welfare of the nation, induce the people to set aside a certain sum annually to take care of dependents when the bread-winner is finally called.

At the close of 1916 the amount of policies issued by Canadian companies amounted to 2,000,000. Assuming that at the average each person insured carried two policies there still remain 1,000,000 persons contributing annually to insurance company funds, a large proportion of which has to be invested every year. Every loan company has its agents continuously at work inviting the people to save their money. These forces will continue to be active when the war ceases and will be stimulated to greater activity when a larger demand for mortgage money arises and when the margin between the price paid for savings and that received for money loans widens. This will only arise in a period of development and the needs of that development in the way of mortgage money will, the opinion is ventured, be adequately met by the existing machinery in Canada and the facility with which it has always adapted itself to changes in general conditions. Behind them there is half a century at least of character which has but few blemishes to its record.

There are many institutions quite free from any blemish and which have a large clientele ready at any time to respond to a genuine call for capital which can be placed at reasonable rates and which will be given that British fair play which has made investments within the Empire so attractive. There have been exceptions, of course, to this and Canada has provided too many of them and our future development will depend largely upon the mending of our ways in this respect and the development of a somewhat higher regard for contractual rights. Germany's flagrant violation of her obligations under a "scrap of paper" will surely have the effect in Canada of reversing that tendency to belittle and hamper the full advantages accruing from contracts entered into in good faith.

DECISIONS LEAVE THE ATTORNMENT CLAUSE IN DOUBT

The Right of Mortgagees in Regard to Rent in Question.

OPINION OF CHIEF JUSTICE

Judgment of the High Court of Saskatchewan Sustains Lower Court in Disallowing Claim in Cudmore Case

Holders of mortgages on farm lands and particularly those located in Western Canada will be interested in some recent decisions which have been rendered by the courts as to the operation and status of what is known as the attornment clause. Briefly this clause was designed to establish the relation of the mortgagor and mortgagee as tenant and landlord with interest technically recognized on the same basis as rent. When interest was unpaid the mortgagee had the right under the clause to foreclose, and, by virtue of his status as landlord, could claim one year's rental as a first obligation against the property. The mortgagee, therefore, found protection for a year's arrears of interest. The recent developments have placed very serious doubt as to whether the courts of Saskatchewan will recognize the claim of the mortgagee as "landlord" under these circumstances.

A decision along the lines mentioned has been rendered by Chief Justice Haultain in the Supreme Court of Saskatchewan in what is known as the "Cudmore" case. However, there were certain complicating features of this case which make it an unsatisfactory one to take to a higher authority, and until a case occurs which is more clearly defined and, therefore, more appropriate to be used as a test, the issue remains in doubt.

In the Cudmore case the Sheriff at Moose Jaw, on Aug. 3, 1915, seized grain belonging to the dedefendant. The claim was for $1,055 under a tenant's lease of March 30, 1915, requiring payment of the amount referred to on September 1, 1915. The claimant had had an added claim for $504 rent for one year due January 1, 1915, under the Attornment clause. The claim was first disallowed and later upheld bu the high court sustained the original decision. It was contended by the appellant that by granting to Cudmore the lease of March 30, 1915, there was a surrender by operation-of-law of whatever term there was covered by the attornment clause contained in the mortgage.

Chief Justice Haultain, with regard to the claim under the attornment clause, held that an attornment clause in a mortgage under the Land Titles Act, though it might create contractual rights between the parties, "it does not create the relations of landlord and tenant so as to give the mortgagee the protection of the statute which provides that a landlord can claim a year's arrears of rent as against any other claim."

This decision not only created doubt as to the validity of the attornment clause but as to the leases in cases where the mortgagee is entitled in the event of default to enter into possession. There does not remain, apparently, any doubt as to the validity of leases as between owners.

TWENTY-FIVE YEARS AGO.

Conditions Have Changed For Mortgage Companies

Twenty-five years ago, says a memorandum submitted to the joint committee of commerce and agriculture in 1916, mortgage companies were able to conduct their business under long established and familiar laws, the cost of effecting loans was very moderate, and in cases where it became necessary to bring a property to sale or foreclose a mortgage this could be done with comparatively little expense and without unnecessary delay. The relations existing betwen the borrowers and lenders were much more intimate and cordial, and the lending companies were familiar with the circumstances of their borrowers. It was not unusual in those days for companies to advance seed grain and to give assistance in various other ways to borrowers who had met with misfortune. There was more of the feeling of community of interest—the farmer furnishing the labor, and the companies the capital necessary to obtain the results desired by both parties. Of course there have always been isolated cases of hardship, and doubtless this will continue as long as there are debtors and creditors, but, on the whole, the situation was reasonably satisfactory.

Artificial Coloring of Sugar Prohibited by the Government

FOR many years the Canadian Public has been eating **Artificially Colored Sugars.** Government reports show that some refineries have used Ultramarine Blue to make their granulated sugar look better than it actually is. Others made use of Aniline and Vegetable Dyes to give a brilliant appearance to their soft or yellow sugars.

The use of dyes or coloring matter of any kind is unnecessary in refining Cane Sugar. This is emphasized in a notification sent to all refiners by the Dominion Government prohibiting the coloring of sugar, and in cases where it is found, prosecution proceedings will be entered under the Adulteration of Foods Act.

We Wish the Public to Know that we Have Never Used Coloring Matter in Lantic Pure Cane Sugar and Never Will

Lantic Pure Cane Sugar was first put on the market about two years ago. Since that time over **200,000,000 lbs.** have been consumed by the Canadian public, and we are now turning out **750,000 lbs.** of Pure Cane Sugar each day.

The reason for this enormous business is not hard to explain. It means that the discriminating consumer has learned by actual use that Lantic Pure Cane Sugar is superior to all others.

Having erected the most modern sugar refinery in the world, costing over $4,000,000, we steadfastly adhered to our original policy of making only absolutely Pure Cane Sugars of highest quality, in which

NO BEETS ARE USED
NO ULTRAMARINE BLUE IS USED
NO ANILINE DYES ARE USED
NO VEGETABLE DYES ARE USED

During the last two years we were told that we could increase our business in certain sections of Canada, if we would color our yellow soft sugars, as the public were accustomed to the more brilliant color. We refused and are glad we did so. The recent action of the Government has since vindicated our judgment.

Look for the Red Ball Trade-mark

To be absolutely certain of getting Lantic Pure Cane Sugar, see that the Red Ball Trade-mark is on every bag or carton. It is our guaranty to you of Canada's Purest Sugar.

Your grocer has Lantic Sugar in stock or will get it for you if you insist.

Atlantic Sugar Refineries Limited

MONTREAL, P.Q. ST. JOHN, N.B.

Lantic Sugar